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ABSTRACT

This teacher's guide is designed for use in presenting a six-unit course in managing personal matters that is part of a life skills series intended to help students become more self-sufficient in their personal and professional lives. The course's six instructional units cover these topics: personal records; risk management; health, life, and property insurance; and wills and funerals. Each unit contains some or all of the following: performance objectives, suggested activities for instructors, handouts, information sheets, supplements, transparency masters, instructional supplements providing suggestions for teaching basic skills and problem solving, job sheets, written tests, and assignment sheet and test answers. Academic skills training is combined with life skills training throughout the instructional materials, and a system of icons has been used to help instructors identify activities into which training in the following basic skill areas has been infused: reading, science, creative thinking/problem solving, writing, oral communication, employability, math, interpersonal skills, and social studies. (MN)

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Managing Personal Matters

Developed by the
Curriculum and Instructional Materials Center
Oklahoma Department of Vocational and Technical Education

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Managing Personal Matters

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FOREWORD

The Life Skills series was previously published as Successful Living Skills. The series has been substantially revised and modernized. Life Skills was written to help people become more self-sufficient in their personal and professional lives. The series contains ten modules, covering a range of subjects from *Managing Personal Matters* to *Basic Automotive Responsibilities.* Each module takes students through the important areas within the subject matter to develop a basic working knowledge.

Roy Peters, Jr.
State Director
Oklahoma Department of Vocational and Technical Education

ACKNOWLEDGEMENTS

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Special thanks to Sue Hoevelman, Ed.D. and Judith Armstrong for their insight, writing and editing. Thanks also to Dia Burroughs for her editing efforts.

Thank you to the staff of the Oklahoma Department of Vocational and Technical Education's Curriculum and Instructional Materials Center: Word Processors Charlotte Tarkington, Brenna Tillman, Rose Primeaux, and Margie Kirkendall deserve a note of thanks for their work. Thanks to Terri Tomson, contracts secretary; Bob Davis and his staff in the Art Department; Darrell Stiles and the Warehouse staff; and Danny Darrow and the Print Shop staff.

The substantial revisions in this series could not have been made without the support and encouragement of John Friedemann, CIMC coordinator, and Dr. Lynna Ausburn, CIMC development coordinator.

Connie S. Romans
Technical Communication Specialist
Curriculum and Instructional Materials Center
Oklahoma Department of Vocational and Technical Education

OTHER MODULES IN THE SUCCESSFUL LIVING SKILLS SERIES

Effective Employment Practices

Successful Study Habits

Effective Communication

Basic Automotive Responsibilities

Responsible Citizenship Practices

Development of Financial Skills

Successful Clothing Management

Effective Social Skills

Successful Human Relations

USE OF THIS PUBLICATION

INSTRUCTIONAL UNIT

Managing Personal Matters contains six units. Each instructional unit includes some or all of the basic components of a unit of instruction: performance objectives, Suggested Activities for the instructor, Handouts, Information Sheets, Supplements, Transparency Masters, Job Sheets, Written Tests, and answers to Assignment Sheets and Written Tests, all of which are included in the instructor's edition. The student workbook includes the Objective Sheets, Information Sheets, Supplements, Transparency Masters, Assignment Sheets, and Job Sheets. Written Tests may be duplicated for classroom use or *additional copies* may be purchased by calling 1-800-654-4502 or, in Oklahoma, 1-800-522-5810, ext. 589.

All of the unit components tie into measurable and observable learning outcomes. Instructors are encouraged to supplement these components with other resources in order to make them as responsive to local conditions and individual needs as possible.

Most units of instruction are designed for use in more than one lesson or class period of instruction. Careful study of each unit of instruction by the instructor will help him or her determine the following:

- Amount of material that can be covered in each class period.
- Skills that must be demonstrated.
  - Supplies and equipment needed
  - Amount of class time needed for demonstrations
  - Amount of time needed for student practice
- Supplementary materials, including print and non-print media, that must be ordered.
- Resource people who must be contacted.

Objective Sheet

Each unit of instruction is based on the performance needed for successful employment in an occupational area. Performance objectives are stated in two forms. The unit objectives states the overall goal of the unit. It tells what the student should be able to do and what standard will be used to see whether the student can do it. Specific objectives outline the teaching sequence of the competencies required to meet the unit objective.

The objectives should be provided for students and stressed throughout the teaching/learning process. This will help answer any questions concerning performance requirements for each instructional unit. The objectives can also help determine teaching strategies and instructional methods. Instructors should prepare for each unit by deciding how each objective could be best taught.

Instructors should feel free to modify, delete, or add objectives in order to meet the needs of the students and the community. When objectives are added, the instructor should remember to supply the needed Information, Assignment, and/or Job Sheets, and criterion-referenced test items.

Suggested Activities – Instructor's Edition only

The Suggested Activities section assists the instructor during the preparation stage of the teaching/learning process by providing suggestions for delivery, application, and evaluation during the instructional process. The instructor should read the Suggested Activities prior to introducing the unit to allow time to obtain supplemental materials, prepare audiovisual materials, and contact outside resources. Duties of the instructor will vary according to the particular unit.

References used in the development of each unit are listed in the "Suggested Resources" section, along with print and non-print media that may be used to teach the unit. These materials can be used by the instructor to supplement his or her knowledge of the subject area or to help students with particular interests or occupational objectives in the area covered.

Handouts – Instructor's Edition only

Handouts are supplemental material that is not testable or graded and is nice-to-know. Handouts provide the instructor with additional activities, fact sheets, art, controversial items, and extra practice sheets. They may also include items for the gifted or remedial student. Handouts are used at the discretion of the instructor.

Information Sheets

The Information Sheets provide "must know" content essential for meeting the cognitive objectives stated at the beginning of each unit. It serves as an excellent guide for presenting background knowledge necessary to develop the skills specified in the unit objective.

Students should read each Information Sheet before it is discussed in class. Space is provided in the margins for students and instructors to add notes that clarify and/or expand on the information provided.

The Information Sheets may include notes, cautions, or warnings. These should be discussed carefully and thoroughly. ☑ **NOTES:** are short verbal additions to the Information Sheet that provide nice-to-know and decision-making information. A note may tell the student what to watch for or to consider at a given step. It may explain when a step may not be applicable. Notes offer guidance that may help the student understand the process and do it more efficiently. **Cautions** are advisories that tell the student how to avoid causing minor personal injury or equipment damage. **Warnings** are advisories to the student used to avoid serious personal injury or death to the student, persons in the workplace, or users of the project or the procedure.

Supplements

Supplements include instructions that could be used for solving problems or reinforcing the enrichment of learning. The information presented in a Supplement may consist of tables, charts, written information, forms, or other information students will need in order to complete one or more of the assignment or Job Sheets. While Supplements are not tested over directly, they may be used to assist in meeting the performance objectives.

Transparency Masters - Instructor's Edition only

Transparency Masters provide information in a special way. The students may see as well as hear the materials being presented, thus reinforcing the learning process. Transparencies may present new information, or they may reinforce information presented in the Information or Assignment Sheets.

Transparencies should be made and placed in the notebook where they will be immediately available for use. Transparencies direct the students' attention to the topic of discussion. They should be left on the screen only when topics shown are under discussion.

Assignment Sheets

Assignment Sheets provide students with information and exercises that address learning levels at or above the application level of Bloom's taxonomy. Assignment Sheets provide written exercises for instruction and practice of a specific objective. The introduction to the Assignment Sheet explains how the Assignment Sheet relates to the subject area and unit component for such information.

Job Sheets

Job Sheets are another important segment of a unit of instruction. The Job Sheets provide a list of equipment, tools, and materials needed to complete a manipulative or psychomotor skill. They describe a step-by-step procedure to complete each task or job. Diagrams, photographs, and illustrations are provided to assist students in achieving the skill.

The instructor should demonstrate the procedure outlined in each Job Sheet. Furthermore, the instructor needs to localize the procedure according to the equipment and supplies available in the local lab or salon situation. Job Sheets also furnish potential employers with a picture of the skills being taught and the performances they might reasonably expect from a person who has had this vocational instruction.

Written Tests — Instructor's Edition only

This component provides criterion-referenced evaluation of every objective listed in the unit of instruction. If objectives have been added, deleted, or modified, appropriate changes should be made on the test.

In order to measure and document student competency gains as required by the latest Carl Perkins regulations and as outlined in the Oklahoma-developed system of standards and measures, it is *absolutely essential* that the same test be used as a pretest and as a posttest. If you choose to use tests other than the ones included herein, be sure that the same instrument is used for each activity–pretest and posttest.

A detailed explanation of the Oklahoma plan for standards and measures and the Carl Perkins requirements is included in the CIMC publication, *Measuring Learning & Competency Gain: The Pretest/Posttest Approach.* This booklet and accompanying software designed to assist in calculating and recording student gains are available to all vocational teachers through the school's vocational testing liaison.

Answers – Instructor's Edition only

This component is designed to assist the instructor in evaluating student performance on Assignment Sheets and Written Tests.

PAGE NUMBERING

Each unit will be recognized by the unit number in Arabic numerals. Each unit in the publication begins with page 1. Each page number gives the component name, book title, unit number, and page number within the unit. Since CIMC publications are loose-leaf, this system of page numbering was recently adopted so that pages from different manuals would not get mixed up. The page number for the Objective Sheet in **Wills and Funerals**, which is Unit 6, would look like this:

> OBJECTIVE SHEET - Managing Personal Matters
> **CIMC** - 6 - 1

METHODS OF DISSEMINATING MATERIAL

For best results, provide student materials for each student. Student workbooks contain Objective Sheets, Information Sheets, Supplements, Transparency Masters, Assignment Sheets, and Job Sheets. Tests are packaged separately for students, and can be stored until needed. Students should be allowed to take their materials home at the end of the course.

TEACHING METHODS

Keeping students motivated is a challenge. Supplement the objectives by providing the "why," personal experiences, and current information. If you are going to teach the material in a group setting, prepare for the unit by deciding the best way to teach each objective and allow for student input.

If you are going to follow the plan for individualized instruction, provide opportunities that will allow each student to become involved in planning for and being responsible for his or her own education.

BASIC SKILLS IN CURRICULUM

The CIMC has always been mindful of the importance of reinforcement (and sometimes remediation) of students' academic skills as they progress through vocational training, and has always included activities in its materials to enhance and promote use of these skills.

Recent state and federal legislation mandates vigorous basic skills development in vocational education in the wake of demands by industry that workers *must* be academically, as well as technically, competent, given the nature of the highly complex workplace. In response, the CIMC has taken the following steps to document that, indeed, the instructional materials *do* combine academic skills training with the vocational training. In addition, concerted efforts have been made to "beef up" or enhance the basic skills instruction already present. Following is a brief description of those processes.

Basic Skills Icons and Enablers

To assist teachers and students in identifying activities that promote basic skills development, the CIMC has implemented a marking system that uses simple graphic symbols, or icons, and a list of specific tasks, or enablers, to identify the basic skill or skills called for in each Job or Assignment Sheet.

Each of the nine broad skills areas–reading, writing, mathematics, science, oral communication, interpersonal or relating, creative thinking and problem solving, employability, and social studies–is represented by an icon presented below.

Reading

Science

Creative Thinking/
Problem Solving

Writing

Oral Communication

Employability

Math

Interpersonal or Relating

Social Studies

When an activity involving one of these basic skills is identified, the corresponding icon is placed in the left-hand margin of the Job or Assignment Sheet. The basic skills training is further defined by retrieving the specific, or enabling, skill that is required by consulting a list of over two hundred and fifty enablers that has been compiled and grouped with each general basic skill. This enabling skill is placed directly below the icon.

As an example, an exercise that requires a student to conduct library research would make necessary the use of specific reading comprehension and research and reference skills. The basic skills that the exercise promotes would be depicted in the left-hand margin as follows:

ASSIGNMENT SHEET 1

PLANNING LIVING SPACE FOR HUMAN NEEDS

Name ______________________ Score __________

OBJECTIVE 10

Define personal territory.

INSTRUCTIONS

Reading Comprehension
- Gain factual information

Functional Reading
- Follow written instructions
- Use content area vocabulary

Language
- Use standard grammar, spelling, and capitalization
- State ideas clearly

- As discussed in objective 1, each person has an invisible "space bubble" or comfort zone. A comfort zone is the space between oneself and others that brings a feeling of well-being. When one's comfort zone is crowded or invaded, discomfort often results. Therefore, personal territory needs should be a prime consideration when planning living space.
- For each of the following situations, draw your estimated comfort zone around the figures provided.
- Indicate how many inches from your body the comfort zone extends.
- Consider how that comfort zone changes in different situations. Answer the questions that follow.

Instructional Supplement

The supplement is a tool for the instructor to use in helping students apply the basic skills in Assignment Sheets and Job Sheets. Some supplements are appropriate for use with all students; some are for use only with those students who do not understand the academic skills called for in the exercise.

MEASURING STUDENT PERFORMANCE GAINS

When you examine this book, you will notice that separate written pretests are no longer included in the units of instruction. Each CIMC unit now contains only a single Written Test. This test should be used as **both** pretest and posttest by giving it once before students start a unit and again when they have completed the unit.

The reason for using a single instrument as both pretest and posttest is so that direct comparison of each student's competencies before and after instruction can be made accurately. This comparison enables precise calculation, documentation, and evaluation of student **performance gains**.

Accurate performance gains analysis is an important requirement of the new Carl Perkins legislation for vocational education. Teachers can make an important contribution to the performance accountability mandated by the new federal legislation by carrying out accurate performance gains analysis for their students and making this data available to students, parents, and administrators.

This analysis is easy to do and requires only simple calculations and record keeping. Detailed information regarding performance gains analysis is contained in the CIMC publication, *Measuring Learning & Competency Gains: The Pretest/Posttest Approach*. In addition, the CIMC has developed a computer program, CARL, which will perform all necessary calculations and will print out a record form of all information required for gain score analysis. Copies of CARL and the publication are available through your local testing liaison (in Oklahoma) or from the CIMC at 1-800-654-4502.

REQUIRED CRITERIA FOR A COMPETENCY-BASED EDUCATION PROGRAM

Criterion	Discussion	CIMC component meeting criterion
1. Instruction is based on clearly-stated learning objectives that are: a) observable and measurable, and b) communicated in writing to students before instruction begins.	Learning objectives drive CBE. Objectives are the "competencies" that learners must achieve. Each objective must clearly state what *learners* must *do* to demonstrate acquired skill or knowledge. Verbs in learning objectives are active and precise, stating the exact performance expected of learners. The objectives should also specify the standard or level of performance required. Objectives can be at any level of Bloom's Taxonomy and can include the cognitive, psychomotor, and affective domains. Higher-order cognitive skills should be included.	Objective Sheet
2. Instruction is aligned with the stated learning objectives	In CBE, the objectives specify what is taught. "Content" should relate to one or more objectives. The curriculum should cover all objectives with relevant information.	Information Sheet
3. There is a student evaluation system that is: a) criterion-referenced, and b) aligned to the learning objectives and the curriculum.	In CBE, the aim is to bring the performance of *all* learners up to a pre-defined standards and competencies. Learners work on each competency until they achieve "mastery"; the evaluation system should test and record this mastery. Learners can restudy and retest as often as needed. Specific remediation activities should also be available to learners when needed. The evaluation system focuses on what each student has achieved, not on what the instructor has "taught." The "constant" in CBE is student performance; the "variables" are time and resources. (This differs from traditional systems where learners get one chance at mastery; some succeed and some fail. In such systems, time and resources are constant and student achievement is variable.) If an evaluation is criterion-referenced, successful learner performance is defined by (or *referenced* to) mastery of pre-set objectives and standards (or *criteria*): there must be a careful match (or *alignment*) between what the student should master (objectives), what is taught (curriculum), and what is tested. Objectives, curriculum, and evaluation system must all match.	Written Test and Job Sheet/Skill Test

Criterion	Discussion	CIMC component meeting criterion
4. There is an observable management system of cognitive skill practice that provides for, promotes, and documents mastery learning.	For both cognitive and psychomotor skills, a CBE program must have a system of maintaining records of which skills and activities each learner has completed, which ones are in progress, and which ones have not yet been completed. Completion means "mastery"; no skill is completed until the learner has achieved the mastery level. The record system should promote feedback on student skill attainment to *both* instructor and learners, provide for remediation as needed, and encourage reevaluation of learner performance until mastery is achieved. Appropriate remediation strategies often should consider learning styles and other individual differences among learners. Learners should work on skills and activities until they achieve mastery. They should not be "passed on" without mastery. While learners may move ahead and work on other skills (i.e those for which all prerequisite skills have been mastered or those without prerequisites), work should also continue on the skills still requiring mastery. Students should not attempt higher-order skills until all prerequisite skills are mastered.	Assignment Sheet
5. There is an observable management system of psychomotor skill practice that provides for, promotes, and documents mastery learning.		Job Sheet/Skill Test
6. Skill mastery records are maintained for each learner, and learners have access to and make use of these records to monitor their skill acquisition.	Records should clearly indicate the skills each learner has mastered. One such record should profile or list the competencies that have been mastered and those to be mastered. Other performance indicators can be added and kept in a portfolio for each learner. Learners should have ready access to their portfolios to monitor their own progress in skill mastery and competency attainment.	Competency Profile

CORRECTIONS AND SUGGESTIONS

The Curriculum and Instructional Materials Center (CIMC) wants to provide vocational instructors and students with accurate and effective materials. Although the CIMC strives to maintain the highest standards of development and production, oversights sometimes do occur. If you find any errors in this or other CIMC publications, or have suggestions for improving their usefulness in vocational programs, please notify the CIMC staff. To do this, please identify the page(s) affected and write any comments to clarify the error or suggestion. Use the spaces below. Then, simply fold (bottom of page *upward*, top *downward*), secure, and mail.

This information will be used to correct the publication before the materials are reprinted. To ensure that the material is updated on a timely basis, notify the CIMC of necessary corrections as soon as possible after discovering the error.

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Managing Personal Matters

Instructional Supplement

Reading

Science

Creative Thinking/
Problem Solving

Writing

Oral
Communication

Employability

Math

Interpersonal
or Relating

Social Studies

Reading Comprehension

- If students have difficulty gaining factual information:
  - Remind students that they probably read for many reasons. One of these reasons is to learn new information. The reason you have for reading helps determine the way you read.
  - Have students discuss the different techniques they use when reading. Lead the discussion so that students realize that, when they read for fun, they may read quickly; they may skim some parts and read others more carefully. Reading for facts requires more care.
  - Suggest that one technique found to be successful includes the following steps:
    - Identify in advance what it is you want to learn. Be certain that before starting to read, you have a clear understanding of what you want to accomplish. It sometimes helps to list the questions to be answered.
    - If the material to be read includes a table of contents, study it to get an understanding of how the material is organized.
    - Scan through the material noting headings, highlighted information, illustrations, etc.
    - Read the material carefully. Take notes or highlight as you read, listing or marking the information you want to learn. Note key words and ideas.
    - Study your notes/highlighted material. Ask yourself if you found all you wanted to learn. If not, read the material again or locate another source for the information.
  - Tell students that they should find a personal technique for reading to learn factual information.
- If students have difficulty analyzing cause and effect:
  - Remind students that in today's society, we often want to know why something happened. Often, if we examine what is to be done, we will be able to determine in advance the effect or result of the action. This can help us repeat successes and avoid mistakes.
  - Provide opportunities for students to practice recognizing cause-and-effect relationships by using examples and questions like the following:

    - Melissa practiced many hours and won the contest. Why did Melissa win the contest? (She practiced many hours.) What was the result of practicing? (She won the contest.)

    - Phillip followed the directions carefully, so the model worked perfectly. What happened because Phillip followed the directions carefully? (The model worked perfectly.) Why did the model work perfectly? (Phillip followed the directions carefully.)

  - Introduce "cause-and-effect analysis." Define it as a systematic tool for looking at effects and the causes that create or contribute to them. State that cause-and-effect analysis can be used (1) to identify and verify factors which are causing a problem, or (2) to identify factors that must appear in a successful solution to a problem (effect).

  - Use the following steps for presenting cause-and-effect analysis:

    - Identify the effect to be analyzed. Write it out at one end of a large sheet of paper, or on the chalkboard. (Think of the effect as the head of a fish. Cause-and-effect diagrams are also known as "fishbones," due to their shape, or Ishikawa diagrams, after their inventor.)

    - Draw a horizontal line from the effect and across the paper or chalkboard. (This line becomes the "backbone" of the fish.) From this horizontal line, draw four slanting lines connected to the main line, two above and two below. (These lines are the "major bones" of the fish.)

    - At the end of each slanting line, write the classifications for the main factors that contribute to the effect: People, Procedures, Equipment, and Environment.

    - On each slanting line ("major bone"), ask students to identify the specific factors that may be causing the effect. Write the factors on the appropriate slanting line (People, Procedures, Equipment, or Environment) and parallel to the "backbone." Instruct students to use brainstorming or other method to identify these factors.

    - From the specific factors identified, ask students to identify the most significant factor(s). Then, have students gather more information to verify the factor's causal relationship to the effect.

  - After students become comfortable recognizing simple cause-and-effect relationships, have them create their own examples.

- If students have difficulty drawing conclusions:

  - Remind students that when they analyze a situation, perform a job task, or even discuss a television show or movie, they will often be asked to demonstrate understanding by telling what happened and explaining why it happened.

  - ☐ Provide opportunities for students to practice drawing conclusions by describing events, such as a group of people crowded around a table that has a decorated cake with lighted candles on it, and asking them to decide what is happening. Have them explain why they reached that conclusion.

  - ☐ Provide opportunities for students to practice drawing conclusions. Present students with descriptions of events, or with photographs or drawings, and ask them to describe what is happening. Ask the student(s) to support each response.

  - ☐ Remind students that before they can draw conclusions, they must carefully observe what is happening and think about why it is happening. In more complex situations, it is often a good idea to take notes about possible conclusions as you work.

- If students have difficulty reacting to written material:

  - ☐ Explain to students that, in order to be able to react effectively to written material, the reader should first have an idea of what he or she is looking for in the material.

  - ☐ Discuss ways in which written material can prompt a reaction by the reader. (For example, a written warranty or guarantee can stimulate a consumer's letter of redress.) Ask students for other examples.

Research and Reference

- If students have difficulty selecting useful resources:

  - ☐ Review the different types of resources available to students. Have volunteers tell what kind of information can be found in each resource type. Have them discuss the types of projects on which each resource can assist.

  - ☐ Help students learn how to locate each resource in libraries, resource centers, or media centers.

- If students have difficulty locating resources:

  - ☐ Review the different types of resources available to students. Have volunteers tell what kind of information can be found in each resource type. Have them discuss the types of projects on which each resource can assist.

  - ☐ Have students volunteer to tell how they would locate the resources discussed. (Be sure they know how to locate each resource in libraries, resource centers, or media centers.) Discuss the use of the library's card catalog or its computerized location system.

Functional Reading

- If students have difficulty interpreting forms and records:
    - ☐ Remind students that interpreting forms and records is a skill they will be practicing throughout life. We must read and interpret forms or records almost daily. Have students volunteer to identify the types of forms or records they will encounter or have already encountered.
    - ☐ Compare the interpretation of forms and records to reading a page. Each part of the form or record has a specific purpose. Suggest that, when they have a form or record to interpret, students should carefully study the headings and the sections within the form or record, as well as the key or any other information that will help in understanding the meaning of the form or record.
- If students have difficulty following written instructions:
    - ☐ Discuss the possible consequences of not following instructions precisely.
    - ☐ Review the *importance* of following written instructions. Give appropriate scenarios when written instructions are not followed or are not followed completely and correctly.
    - ☐ Discuss the *relationship* between the order of written instructions and the appropriate outcome. Emphasize the need to follow written instructions in their proper order. Use examples where the order of instructions in a sequence is critical to the outcome of the task.
    - ☐ Explain to students that one of the keys to following written directions successfully is to read the directions completely before actually beginning to follow them. Doing this ensures that you will not be surprised as you work through the steps. It also gives you an opportunity to ask questions about steps you do not understand.
    - ☐ Tell students that, after they have read the directions and understand what to do, they should go back to Step 1 and follow the directions step-by-step (without skipping any steps). Remind students that it is important to follow steps in order, even if they think they already know what to do.
- If students have difficulty using content area vocabulary:
    - ☐ Remind students that nearly every occupation or group uses words that have specific, specialized meanings to others in the same occupation or group. Have them name and define some content area, technical, or "slang" words with which they are familiar.

    - Explain that using content area or technical words makes it easier for people within groups or occupations to communicate ideas accurately. Remind students that often the same word may have a generic meaning to the majority of people, but a very specific meaning within an industry.
    - Review key terms and concepts, so that students hear, see, write, and say them.
    - Have students suggest ways to learn the meanings of the vocabulary specific to what they are studying. Provide opportunities for students to practice using the terminology they will need.

Language

- If students have difficulty using standard grammar, spelling, and capitalization:
    - Discuss the importance of using standard grammar and correct spelling, punctuation, and capitalization. Include the fact that it is more difficult to read and understand incorrectly-written materials, and that readers will take correctly-written materials more seriously.
    - List common errors in grammar, spelling, punctuation, and capitalization in materials written by your students. Review this list with the class or with individuals.
    - Help students to develop a checklist to use as they write, edit, and proofread. Each student can personalize his or her own checklist by adding the items that present the most problems to him or her. If spelling is a problem, suggest that the student keep a personal dictionary of frequently used or misspelled words.
    - Have students work with partners or in groups and review each others' writing. Allow time for students to discuss the comments with their partners or groups.
    - Suggest that as students write or proofread their own writing, they circle or mark places where they are unsure of the correct grammar, punctuation, capitalization, or spelling. Provide materials (English grammar/mechanics books or style guides) or class time for students to review, revise, or correct their writing.
- If students have difficulty stating ideas clearly:
    - Remind students to determine in advance the ideas they want to convey and the audience they want to reach. Audience analysis is very important in presenting ideas clearly and appropriately.

- ☐ State that audience analysis begins early, such as when students are doing their research. They must describe their intended audience and decide how to best present their ideas to that audience. Options for communicating with the audience include written reports, charts, graphs, diagrams, etc. Explain how the audience influences the way in which the information is presented (such as very simple text with pictures, for children; a great deal of background information, for people who know nothing about or very little about the subject; or, little background but more complex information, for experts).

- ☐ Have students work with a partner or in a small group. Provide time for them to share ideas with each other and make suggestions for making ideas clearer.

- ☐ Remind students that careful preplanning and the use of correct grammar, spelling, punctuation, and capitalization are especially important if their ideas are to be clearly understood by the intended audience.

Research

- If students have difficulty taking notes:

    - ☐ Remind students of the importance of note-taking to the preparation of the final product. Explain that, because notes are for the student's own use, students should develop their own note-taking style. It will also be easier to prepare the final product if students take notes in their own words (instead of copying directly from the original source).

    - ☐ Have students volunteer to discuss some of their own note-taking techniques. Suggest that others may wish to experiment with some of these techniques.

Functional Writing

- If students have difficulty completing forms and records:

    - ☐ Remind students to first decide what information is being requested. Examine the structure of the forms used. This saves time by identifying the needed information so that time will not be spent on unwanted information.

    - ☐ Tell students to plan responses carefully before putting them in a final form. If the responses call for sentence or paragraph information, it is always a good idea to write the response in rough draft form, then edit, proofread, and rewrite the draft in a final form. Stress the importance of accurate, legible records.

Listening

- If students have difficulty applying active listening skills:
    - Remind students that they spend much of their time listening to what other people are saying. Ask them if they have ever tried, unsuccessfully, to remember what someone said. Explain that this happens to almost everyone. Ask why they think this happens.
    - Discuss the importance of listening carefully and attentively to conversations, discussions, and interviews. Explain that students should always have a purpose for listening and should always keep that purpose in mind while listening. Suggest that they take notes or record interviews or discussions that they need or want to remember or use later.
    - Encourage students to become familiar with the subject matter before communication begins.
    - Have students practice listening to and repeating information.
    - Present some helpful guidelines for effective listening, such as being ready to listen, focusing on the speaker, and maintaining eye contact with the speaker.

Interactive Communications

- If students have difficulty applying questioning techniques:
    - Remind students to plan in advance what they want to ask during an interview by deciding what they need to learn from the interview.
    - Explain that it is always good to have a written list of the questions to be asked, so that important questions are not omitted. Give examples of such questions.

Cognitive Activities

- If students have difficulty collecting/recording information:
    - Suggest that they first decide how and where the information will be collected and recorded. It is also very helpful to identify how the information will be used. Explain that it is always best to come prepared with pencil or pen and a

preplanned sheet for recording the specific information to be collected. This preparation allows you to devote careful attention to your work.

  - Research and outline for students the steps in using any of the following "tools" for collecting/recording information: brainstorming, brainwriting, checksheets, interviewing, and surveying.

- If students have difficulty analyzing/synthesizing information:

  - Define the terms "analyze" and "synthesize." Compare and contrast their meanings.

  - Remind them that to analyze they must break the information down into all its component parts in order to understand it.

  - Remind them that to synthesize information they should put all the component parts together in a way that makes the information usable.

  - Explain that it is usually necessary to learn about complex items or things by examining their make-up or parts, such as studying body structure by examining each individual system or studying auto mechanics by examining the different automobile systems.

  - Also explain that it is sometimes necessary to then study the whole item or thing by studying how the parts work together to make the whole item work. This examination helps us identify and compare the relationships the parts have with each other.

  - Help the students understand the concepts by asking what they would do if they turned on a light and nothing happened. Lead them to discuss that they would probably first check to see if the light was plugged in or if the bulb was burned out. Plugging it in or replacing the light bulb might make the light come back on.

  - Then ask the students what they would do if the light still didn't work. Lead them to the conclusion that they should check to see if all the electricity was off. If it is, they will have to think about what they know about the whole electrical system—what are its parts. Identifying the parts of the whole will help them identify the problem.

- If students have difficulty predicting results/outcomes:

  - Remind them to carefully examine what has already happened before deciding what will happen. Explain that they will use what they already know when predicting results or outcomes. To provide practice, ask questions such as what will happen if water is left running in the bathtub. The students might enjoy making up situations for the other students to predict.

- If students have difficulty identifying/evaluating consequences:

  - ☐ Have students define and give examples of consequences. Explain that every action has consequences.

  - ☐ Discuss the reasons for evaluating consequences. Lead students to discover that evaluating consequences determines, to a large extent, whether or not we will take action, or in what manner we will take it.

- If students have difficulty identifying/developing alternatives:

  - ☐ Look at the original item/solution requiring an alternative. Identify for students the criteria in the original that must also be met by any alternative.

  - ☐ Discuss the variables that could be changed to create an alternative.

  - ☐ To identify/develop alternatives, discuss the characteristics of an alternative. Ask which factors in the problem or situation create the opportunity for more than one possible choice. Have students brainstorm alternatives to a sample problem or situation that you create.

- If students have difficulty evaluating an alternative:

  - ☐ To evaluate alternatives, suggest that students begin by listing the criteria which must be met by any alternative. Then, they can judge potential alternatives in terms of the criteria.

- If students have difficulty selecting an alternative:

  - ☐ To select alternatives, suggest that students begin by listing the criteria which must be met by any alternative. Then, they can judge potential alternatives in terms of the criteria.

- If students have difficulty transferring knowledge/training to new situations:

  - ☐ Remind the students that everything they do makes use of information that they already know. Tell them that this process of using known information often happens subconsciously. When you identify an animal as a dog, you use already known information—you know what dogs look and act like so you can recognize a dog.

  - ☐ Tell the students that when they encounter a situation or a question they aren't familiar with, they should examine it carefully to identify what they already know that will help them solve the problem or answer the question. For practice, use examples such as the following:

  - ☐ A baby you are caring for starts crying. You don't know why, but you do want to make her stop. How do you know what to try? Begin by thinking carefully about what you know about why babies cry. (hungry, diaper needs changing, wants attention, sick) Identifying what you already know gives you ideas to try that might make the baby stop crying.

  - Remind the students that when trying to solve a problem or answer a question, they should always identify what they know by thinking about similar situations, problems, or questions they have faced. This will help them with find the answer.

- If students have difficulty developing an action plan:
  - Define an "action plan." An action plan assigns specific tasks to individuals or groups and states the date on which these tasks must be completed.
  - State the purposes of action plans. Encourage students to write these points down for reference:
    - They set up logical steps for accomplishing objectives.
    - They show achievement milestones.
    - They assign ownership to individuals and empower them.
    - They provide a basis for cooperation and recognition.
    - They describe how resources will be distributed.
  - Research and outline for students the steps in using any of the following "tools" for planning actions: flowcharts, PERT charts, and Gantt charts.

- If students have difficulty evaluating results/outcomes:
  - Help students define what the expected outcome will be before they begin the project. If they have a clear idea of what to expect, they will be more able to evaluate the results.
  - Help the students establish evaluative criteria on which to base the results of their project. Remind them that they need to establish the guidelines prior to the project in order to get an accurate evaluation.

OBJECTIVE SHEET

PERSONAL RECORDS

1

INTRODUCTION

Keeping complete, well-organized records accessible will save you time and money. Papers that you receive—for example, documents, pamphlets, and certificates—make such common activities as assembling a tool, returning a purchased item, or calculating an insurance deduction easier. This unit will help you determine what records to keep, how to organize them, and where to store them.

UNIT OBJECTIVE

After completing this unit, you will show the following competencies by mastering the activities on the Assignment Sheets and by scoring at least 85% on the Written Test.

SPECIFIC OBJECTIVES

1. State uses of different storage locations for important records.
2. Select from a list facts about safe-deposit boxes.
3. Match records to correct reasons they should be kept.
4. Locate important records. (Assignment Sheet 1)
5. Select from a list records to be kept in a safe-deposit box.
6. Select from a list records to be kept in a home file.
7. List records and information that should be carried on your person.
8. Select from a list records that may be affected by a change in marital status.
9. Arrange in order the steps in organizing records.
10. Evaluate recordkeeping organization skills. (Assignment Sheet 2)

PREPARATION

- Review the unit and plan your presentation.
- Determine the scope and sequence of objectives you add. Design and develop support materials, including evaluation techniques for additional objectives.
- Review the teaching suggestions, and plan classroom activities.
- Determine how you will schedule time for students to demonstrate competence in the required procedures.
- Order materials to supplement the unit.
- Order videos.
- Invite guest speakers.

☑ **NOTE:** Please provide the guest speaker with the specific topic relevant to the unit of instruction ahead of time. You may want to supply the Objective Sheet, Information Sheet, and any other components you want the speaker to cover. Confirm the scheduled appearance two to three days prior to the presentation.

DELIVERY

Objective 1: State uses of different storage locations for important records.

- Introduce the unit by reading the following story. Ask the students what this family could do to prevent this situation.

Where Is It?

Everyone at the Johnson house is in a dither. Jess Johnson cannot find his new insurance policy, which was sent to him a few weeks ago. He must have the policy for completing a form at work. Mr. Johnson is dumping everything out of the wastebasket in an unsuccessful attempt to find the missing policy.

"Why don't you check in the drawers?" suggests Mrs. Johnson, as she begins to go through the things on top of the coffee table.

"Jimmy!" calls Mrs. Johnson. "Will you come help us look for the insurance policy?"

"What does it look like?" asks Jimmy.

"It's in a large white envelope," replies Mrs. Johnson.

"Well, I've found last October's bank statement," says Jess. "I wonder what it was doing there!"

"Is this it?" asks Jimmy.

"Let me see," says Jess. "No, that's not it; but that is the copy of our will that I was looking for the other day. It really should be kept in a safe place."

"And here is your social security card being used as a bookmark, Jess," says Mrs. Johnson. "I wonder how we ever get things scattered all over the house."

- Emphasize to the students that they have important records that should be kept in a proper place.

- Use Information Sheet, objective 1 to discuss appropriate storage locations for different types of records.

Objective 2: Select from a list facts about safe-deposit boxes.

- Use Information Sheet, objective 2 to explain basic facts about safe-deposit boxes.

- Arrange for a field trip to a bank so that the students can see a safe-deposit box. Ask an official of the bank to explain the bank's policy and costs for the use of safe-deposit boxes.

Objective 3: Match records to correct reasons they should be kept.

- Have a display of records. Allow the students to discuss whether the records are important, why they should be kept, and how long the records should be kept.

- Use Information Sheet, objective 3 to discuss why each listed type of record should be kept.

Objective 4: Locate important records. (Assignment Sheet 1)

- Have the students complete Assignment Sheet 1.

Objective 5: Select from a list records to be kept in a safe-deposit box.

- Use Information Sheet, objective 5 to discuss the records which should be kept in a safe-deposit box.

Objective 6: Select from a list records to be kept in a home file.

- Have a display of various types of home files such as a small file cabinet, a file box, and a fireproof box. As an alternative method of showing examples of record storage, prepare a bulletin board using pictures from an office supply catalog.

- Use Information Sheet, objective 6 to discuss the records which should be kept in a home file.

Objective 7: List records and information that should be carried on your person.

- Use Information Sheet, objective 7 to discuss the records and information which should be carried in a purse or wallet.

- Stress the importance of carrying some form of identification and medical information even when you are not carrying a purse or wallet such as when you are jogging.

Objective 8: Select from a list records that may be affected by a change in marital status.

- Use Information Sheet, objective 8 to emphasize the way each record will be affected by a change in marital status.

Objective 9: Arrange in order the steps in organizing records.

- Use Information Sheet, objective 9 to discuss the steps in organizing records.

Objective 10: Evaluate recordkeeping organization skills. (Assignment Sheet 2)

- Have the students complete Assignment Sheet 2.

EVALUATION

Pretest

- Give the Written Test as a pretest.
- Determine individual study requirements from pretest results.
- Counsel students individually on pretest results and study requirements.
- Modify materials in the unit or create supplementary materials for individual students as required.

Skill Test

- Evaluate students on Assignment Sheet activities if not previously done.
- Reteach and reevaluate if necessary.
- Modify materials in the unit or create supplementary materials for individual students as required.

Written Test

- Explain to students that they will be asked to demonstrate on the Written Test actions listed in the specific objectives.
- Give the Written Test.

  ☑ **NOTE:** The Written Test may be given in sections if desired.

- Reteach and retest if necessary.
- Review individual and group performance in order to evaluate teaching methods. Adjust the scope, sequence, or instructional approaches for additional lessons as required.

SUGGESTED RESOURCES

Print Media

- Abromovitz, Les. *Family Insurance Handbook*. Blue Ridge Summit, PA: Liberty Hall Press, 1990.
- Campbell, Sally R. *The Confident Consumer*. South Holland, Illinois: Goodheart-Willcox Company, Inc., 1982.

- Nader, Ralph and Wesley J. Smith. *Winning the Insurance Game*. New York: Doubleday, 1993.
- Pladsen, Carol and Denis Clifford. *Your Family Records*. Berkeley, CA: Nolo Press, 1984.
- *Sharing the Risk*, 3d ed. New York: Insurance Information Institute, 1989.

INFORMATION SHEET

PERSONAL RECORDS

1

OBJECTIVE 1

State uses of different storage locations for important records.

- **safe-deposit box** — used for records that would be difficult or impossible to replace
- **file in the home** — used for records that are referred to often or that can be replaced with little bother
- **purse or wallet** — used for records that are needed when you are away from home, such as those needed for identification

OBJECTIVE 2

Select from a list facts about safe-deposit boxes.

- Are rented from a bank or other institution

  ☑ **NOTE:** Safe-deposit boxes are normally located in bank vaults. Rent will vary according to the institution and the size of box. Sizes can range from 3″ × 5″ to 10″ × 10″ but boxes are usually 21 inches long. Vacation boxes are available on a weekly or monthly basis; these are safe-deposit boxes to store valuables while you are away from home for a short length of time.

- Provide for storage of valuables that cannot be kept safely in the home or office

  ☑ **NOTE:** Safe-deposit boxes provide protection against burglary and fire.

- Require two keys for opening

  ☑ **NOTE:** A customer who rents a box is given a key to that box, and the bank has a master key. Both keys are necessary to unlock the box; neither one alone will unlock it. A bank cannot open a private safe-deposit box without a court order. In case of a customer's lost key, the bank may in the presence of witnesses and legal representatives of the renter have a locksmith drill the lock to open it. The services of a locksmith are often very expensive.

- Will be opened only after the renter signs a signature card for each entry

- Are sealed by the bank in the event of the death of one of the renters

  EXAMPLE: If a box is rented by two people and either one of them dies, the bank seals the safe-deposit box.

  ☑ **NOTE:** In some states, including Oklahoma, this is the law. Do not store in a safe-deposit box any records needed for making funeral arrangements.

OBJECTIVE 3

Match records to correct reasons they should be kept.

- **bank records** – show proof of payments and deposits

  ☑ **NOTE:** Canceled checks for utility bills, charge accounts, and other operational expenses need not be kept after the next month's bills come and show payment of previous bills.

- **birth certificates and adoption papers** – provide information needed to prove the age and legal custody of minor children

- **church records** – provide (in most cases) acceptable evidence of birthdate when obtaining a birth certificate

- **citizenship papers** – provide eligibility to vote, to obtain certain jobs, and to obtain passports

  ☑ **NOTE:** Citizenship papers are obtained when one becomes a citizen of another country.

- **copyright and patent certificates** – show ownership of rights

- **credit card information** – provides information for reporting stolen or lost cards, determining charges and fees, and finding out information on account balances or history

  ☑ **NOTE:** In case of loss, or theft, immediately notify the nearest office of the company by telephone or fax. Give your name, address, number of card, where and when you think it was lost or stolen, and whether you reported the loss to the police. Follow up with a letter giving the same information.

- **divorce certificates** – clear legal requirements for remarriage

- **guarantees and warranties** – provide proof that an item is under warranty and is guaranteed
- **health records** – show record of immunizations, diseases, and illnesses
- **household inventories** – provide information to establish the value of goods and for identification of goods needed for insurance claims
- **income and employment records** – provide information for tax purposes, retirement, and other job benefits
- **instruction manuals** – provide information for the care and use of appliances, tools, and equipment
- **insurance policies** – provide easy reference for filing claims

  ☑ **NOTE:** These policies provide easy access to the company's name, name of the person and the property insured, the kind of insurance, date purchased, expiration date, coverage, and benefits.

- **investment documents** – provide easy reference and for tax and estate planning

  ☑ **NOTE:** Stocks, bonds, certificates, and United States Savings bonds are common investment documents.

- **list of items in safe-deposit box** – provides a quick reference for items stored in a safe-deposit box
- **marriage records** – provide proof of marriage to collect insurance and social security and to settle estates
- **military records** – show proof of service to country

  ☑ **NOTE:** This includes orders to active duty, commissions, discharge papers, medical treatment or disability, and papers connected with claims for benefits. This includes all documents connected with the G.I. Bill for Education.

- **passport** – allows travel in most foreign countries
- **professional documents** – give evidence of qualifications for employment

- **purchase receipts** – provide proof of payment and date of purchase

  ☑ **NOTE:** Purchase receipts can be important for proof of guarantee or warranty.

- **real estate documents** – prove ownership and debt on property through titles, deeds, and mortgages

- **tax-return information** – provides a record as to the amount of taxes paid and the amount of the return

- **vehicle titles** – show ownership and should be kept until property is sold; necessary to buy tags

  EXAMPLE: Automobiles, boats, motorcycles

- **will** – aids in the settlement of an estate

  ☑ **NOTE:** The original will should be protected by the owner or a representative.

OBJECTIVE 4 **Complete Assignment Sheet 1.**

OBJECTIVE 5 **Select from a list records to be kept in a safe-deposit box.**

☑ **NOTE:** Paper is used to record the important events in our lives, such as births, deaths, marriages, or the purchase of homes or automobiles. Family papers and evidence of business transactions deserve the best of protection. Papers should be kept for as long as they are valid.

☑ **NOTE:** A list of the contents of the safe-deposit box should be in a home file.

- Birth certificates and adoption papers

- Church records

  ☑ **NOTE:** Baptismal and confirmation certificates document your birthdate and may be necessary when obtaining a birth certificate.

- Citizenship papers

- Copyright and patent certificates
- Divorce certificates
- Household inventories

  EXAMPLE: Lists of valuable items such as electronics, furnishings, jewels

- Insurance policies

  EXAMPLE: Long-term, investment agreements such as life insurance

- Investment documents

  ☑ **NOTE:** Original stocks, bonds, and certificates should be protected by the owner or a representative.

- Marriage records
- Military records
- Passport
- Real estate documents
- Will

OBJECTIVE 6

Select from a list records to be kept in a home file.

☑ **NOTE:** Most of these papers should be kept at least three years. When the document is given to you, ask how long you should keep it.

- Bank records

  EXAMPLE: Bank statements, deposit slips, account books

- Credit card information
- Guarantees and warranties
- Health records

- Household inventories

  EXAMPLE: Lists of less valuable goods such as musical recordings, books, computer software

- Income and employment records
- Instruction manuals
- Insurance policies

  EXAMPLE: Short-term, non-investment agreements such as vehicle or homeowner's insurance

- Investment documents

  ☑ **NOTE:** Periodic reports, such as those showing interest earned, should be kept for as long as tax purposes require.

- List of items in safe-deposit box
- Professional documents

  EXAMPLE: Diploma, certificates, licenses

- Purchase receipts
- Tax-return information
- Vehicle titles

  ☑ **NOTE:** Your home file is also a secure location for unused or duplicate keys.

OBJECTIVE 7

List records and information that should be carried on your person.

☑ **NOTE:** Your identification and medical information should be on your person whenever possible, even when jogging or biking.

- Identification

  ☑ **NOTE:** This information should include your name, address, and telephone number, and information about persons to contact in case of an emergency. Make certain that one of the persons is not likely to be with you.

- Medical information

  ☑ **NOTE:** If you are diabetic, epileptic, or allergic to certain drugs, carry this information with you. Also carry your blood type; your doctor's name, address, and telephone number; and the name of your hospital.

- Driver's license
- Social security card
- Credit cards
- Membership cards

OBJECTIVE 8

Select from a list records that may be affected by a change in marital status.

- Tax deduction forms
- Bank accounts
- Insurance policies
- Wills
- Social security
- Titles and deeds
- Driver's license

OBJECTIVE 9

Arrange in order the steps in organizing records.

1. Locate all records.
2. Sort through and throw away unnecessary records.

   ☑ **NOTE:** Be very careful about throwing records away. The time required to keep them varies. Ask the issuing authority how long a document should be kept. Write the date it may be destroyed on the document.

3. Store records in a well-organized manner.

   ☑ **NOTE:** For at-home storage, the ideal place is in a file cabinet with file folders and dividers.

4. Tell appropriate others where your records are kept.

   ☑ **NOTE:** It is important that someone else know where records are kept. In the event of your death, arrangements must be made. Knowing where certain records are kept can assist the person making those arrangements.

OBJECTIVE 10 **Complete Assignment Sheet 2.**

ASSIGNMENT SHEET 1

PERSONAL RECORDS

1

Name ______________________________ Score __________

OBJECTIVE 4

Locate important records.

INTRODUCTION

Everyone has important records. On the day you were born, a very important record was completed: your birth certificate. As you grew older, you acquired other important records such as an immunization record, social security card, and driver's license.

INSTRUCTIONS

Language
- Use standard grammar, spelling, and capitalization
- State ideas clearly

Functional Writing
- Complete forms and records

Cognitive Activities
- Analyze/synthesize information
- Transfer knowledge/training to new situations

Part 1

Locate the important records in your life by completing the following chart.

☑ **NOTE:** Give this careful thought. You should be able to think of several important records.

TYPE OF RECORD	**LOCATION**
EXAMPLE: Driver's license	Wallet

Part 2

1. Are your records stored properly? ____________________

2. If not, which ones are not and where should they be stored?

____

____

____

____

____

____

____

3. Which of your records require renewal? ____________________

____

____

____

____

____

4. Which of your records contain very confidential information?

____

____

____

____

ASSIGNMENT SHEET 2

PERSONAL RECORDS

Name ______________________ Score __________

OBJECTIVE 10

Evaluate recordkeeping organization skills.

INTRODUCTION

A family usually handles an average of 1000 bills, checks, receipts, letters, and other documents a year. Even though most lost papers can be replaced, their replacement may cost time and money and cause annoyance. Frustration and frantic searches for a needed document can be avoided when family papers and records are in order.

A convenient business center that provides adequate files for papers to be kept at home makes it a simple matter to sort and store the family's records safely, as well as to provide a place where they can be easily found.

INSTRUCTIONS

Language
- Use standard grammar, spelling, and capitalization
- State ideas clearly

Functional Writing
- Complete forms and records

Cognitive Activities
- Transfer knowledge/ training to new situations
- Develop an action plan
- Evaluate results/ outcomes

Evaluate your organization skills by answering the following questions about your family's records.

	Yes	No
1. Do all members of your family have copies of their birth certificates?	___	___
2. Do you have an up-to-date inventory of all household possessions?	___	___
3. Do you have a record of your important valuable papers?	___	___
4. Do you keep deeds, mortgages, bonds, notes, and other valuable papers in a safe-deposit box or safe place?	___	___
5. Do you have a place to keep all guarantees and warranties?	___	___
6. Do you have a place to file canceled checks?	___	___
7. Do you have identification in your wallet?	___	___
8. Do you carefully check bank statements against check stubs and canceled checks?	___	___

	Yes	No
9. Do you and other family members have a will?	___	___
10. Does someone outside your immediate family know where your valuable papers are kept?	___	___
11. Do you know where all the family insurance policies are kept?	___	___
12. Can you locate a record of all property owned by the family?	___	___
13. Could you provide bills, receipts, and records if the Internal Revenue Service audited a tax return?	___	___
14. Do you have a safe-deposit box?	___	___

15. What action should you or your family take for those questions to which you answered "no"?

____

____

____

____

____

____

____

____

____

____

WRITTEN TEST

PERSONAL RECORDS

1

Name ______________________________ Score __________

OBJECTIVE 1

State uses of different storage locations for important records. Write the uses for each of the following storage locations in the blanks.

- **safe-deposit box** –______________________________
____
- **file in the home** –______________________________
____
- **purse or wallet** –______________________________
____

OBJECTIVE 2

Select from a list facts about safe-deposit boxes. Write an "X" in the blank before each correct answer.

____ 1. Require two keys for opening

____ 2. Provide for storage of valuables that cannot be kept safely in the home or office

____ 3. Have access twenty-four hours a day

____ 4. Are rented from a bank or other institution

____ 5. Are available in any size the renter desires

____ 6. Are sealed by the bank in the event of the death of one of the renters

____ 7. Will be opened only after the renter signs a signature card for each entry

May be photocopied for student use.

OBJECTIVE 3

Match records to correct reasons they should be kept. Write the correct letters in the blanks.

A. church records
B. divorce certificates
C. copyright and patent certificates
D. military records
E. citizenship papers
F. vehicle titles
G. birth certificates and adoption papers
H. marriage records
I. household inventories
J. tax-return information
K. list of items in safe-deposit box
L. bank records
M. insurance policies
N. credit card information
O. real estate documents
P. will
Q. investment documents
R. passport
S. guarantees and warranties
T. instruction manuals
U. health records
V. income and employment records
W. professional documents
X. purchase receipts

____ 1. Show ownership and should be kept until property is sold; necessary to buy tags

____ 2. Provide information needed to prove the age and legal custody of minor children

____ 3. Provide (in most cases) acceptable evidence of birthdate when obtaining a birth certificate

____ 4. Prove eligibility to vote, to obtain certain jobs, and to obtain passports

____ 5. Show ownership of rights

____ 6. Clear legal requirements for remarriage

____ 7. Provide information to establish the value of goods and for identification of goods needed for insurance claims

____ 8. Show proof of service to country

____ 9. Provide proof of marriage to collect insurance and social security and to settle estates

____ 10. Aids in the settlement of an estate

____ 11. Prove ownership and debt on property through titles, deeds, and mortgages

May be photocopied for student use.

_____ 12. Provides a quick reference for items stored in a safe-deposit box

_____ 13. Show record of immunizations, diseases, and illnesses

_____ 14. Provide information needed for the care and use of appliances, tools, and equipment

_____ 15. Provide easy reference for filing claims

_____ 16. Show proof of payments and deposits

_____ 17. Give evidence of qualifications for employment

_____ 18. Provides information for reporting stolen or lost cards, determining charges and fees, and finding out information on account balances or history

_____ 19. Provide proof that an item is under warranty and guaranteed

_____ 20. Provides a record as to the amount of taxes paid and the amount of the return

_____ 21. Allows travel in most foreign countries

_____ 22. Provide information for tax purposes, retirement, and other job benefits

_____ 23. Provides for easy reference and for tax and estate planning

_____ 24. Provide proof of payment and date of purchase

OBJECTIVE 4 **Evaluated on Assignment Sheet 1.**

OBJECTIVE 5 **Select from a list records to be kept in a safe-deposit box.**
Write an "X" in the blank before each correct answer.

_____ 1. Will

_____ 2. Tax-return information

_____ 3. Marriage records

_____ 4. Instruction manuals

May be photocopied for student use.

_____ 5. Citizenship papers

_____ 6. Birth certificates and adoption papers

_____ 7. Professional documents

_____ 8. Passport

_____ 9. Military records

_____ 10. Divorce certificates

_____ 11. Bank records

_____ 12. Insurance policies

_____ 13. Household inventories

_____ 14. Health records

_____ 15. Copyright and patent certificates

OBJECTIVE 6

Select from a list records to be kept in a home file. Write an "X" in the blank before each correct answer.

_____ 1. Purchase receipts

_____ 2. Birth certificates and adoption papers

_____ 3. Vehicle titles

_____ 4. Bank records

_____ 5. Health records

_____ 6. Copyright and patent certificates

_____ 7. Tax-return information

_____ 8. Credit card information

_____ 9. Guarantees and warranties

_____ 10. List of items in safe-deposit box

_____ 11. Investment documents

_____ 12. Professional documents

May be photocopied for student use.

____ 13. Income and employment records

____ 14. Military records

____ 15. Insurance policies

OBJECTIVE 7

List records and information that should be carried on your person. List four records or types of information in the blanks.

- ____________________
- ____________________
- ____________________
- ____________________

OBJECTIVE 8

Select from a list records that may be affected by a change in marital status. Write an "X" in the blank before each correct answer.

____ 1. Birth certificate

____ 2. Social security

____ 3. Bank accounts

____ 4. Job description

____ 5. Insurance policies

____ 6. Driver's license

____ 7. Tax deduction forms

____ 8. Gross salary

____ 9. Titles and deeds

____ 10. Wills

May be photocopied for student use.

OBJECTIVE 9

Arrange in order the steps in organizing records. Write a "1" before the first step, a "2" before the second step, etc.

_____ A. Sort through and throw away unnecessary records.

_____ B. Tell appropriate others where your records are kept.

_____ C. Locate all records.

_____ D. Store records in a well-organized manner.

OBJECTIVE 10

Evaluated on Assignment Sheet 2.

May be photocopied for student use.

ASSIGNMENT SHEETS

OBJECTIVE 4

Assignment Sheet 1

Evaluated to the satisfaction of the instructor

OBJECTIVE 10

Assignment Sheet 2

Evaluated to the satisfaction of the instructor

WRITTEN TEST

OBJECTIVE 1

Answer should include the following:

- **safe-deposit box** — used for records that would be difficult or impossible to replace
- **file in the home** — used for records that are referred to often or that can be replaced with little bother
- **purse or wallet** — used for records that are needed when you are away from home, such as those needed for identification

OBJECTIVE 2

1, 2, 4, 6, 7

OBJECTIVE 3

1. F
2. G
3. A
4. E
5. C
6. B
7. I
8. D
9. H
10. P
11. O
12. K
13. U
14. T
15. M
16. L
17. W
18. N
19. S
20 J
21. R
22. V
23. Q
24. X

OBJECTIVE 4

Evaluated on Assignment Sheet 1.

OBJECTIVE 5 1, 3, 5, 6, 8, 9, 10, 12, 13, 15

OBJECTIVE 6 1, 3, 4, 5, 7, 8, 9, 10, 11, 12, 13, 15

OBJECTIVE 7 Answer should include any four of the following:

- Identification
- Medical information
- Driver's license
- Social security card
- Credit cards
- Membership cards

OBJECTIVE 8 2, 3, 5, 6, 7, 9, 10

OBJECTIVE 9

A. 2
B. 4
C. 1
D. 3

OBJECTIVE 10 **Evaluated on Assignment Sheet 2.**

OBJECTIVE SHEET

RISK MANAGEMENT

2

INTRODUCTION

Whenever you and your family have an interest in something—your life, health, home, car, or job—you face risk. Because of the great effect the loss of one of these would have on your budget, you devise ways to avoid risk. One of the ways to reduce your risk of financial loss is to purchase insurance. This unit will help you learn about attitudes, types of coverage, and selection of agencies involved in insurance.

UNIT OBJECTIVE

After completing this unit, you will show the following competencies by mastering the activities on the Assignment Sheets and by scoring at least 85% on the Written Test.

SPECIFIC OBJECTIVES

1. Match terms associated with risk management to their correct definitions.
2. List reasons insurance is important.
3. Assess attitudes about insurance. (Assignment Sheet 1)
4. Match types of insurance coverage to their correct descriptions.
5. Evaluate family's insurance coverage. (Assignment Sheet 2)
6. Select from a list guidelines for buying insurance.
7. List sources for obtaining insurance.
8. Select from a list factors to check when selecting an insurance company.
9. Select from a list questions to consider when selecting an insurance agent.
10. Compare services offered by local insurance agencies. (Assignment Sheet 3)
11. State responsibilities of the insurance agent to the consumer.
12. Arrange in order the steps in filing an insurance claim.

SUGGESTED ACTIVITIES

RISK MANAGEMENT

2

PREPARATION

- Review the unit and plan your presentation.
- Determine the scope and sequence of objectives you add. Design and develop support materials, including evaluation techniques for additional objectives.
- Review the teaching suggestions, and plan classroom activities.
- Determine how you will schedule time for students to demonstrate competence in the required procedures.
- Order materials to supplement the unit.
- Order videos.
- Invite guest speakers.

  ☑ **NOTE:** Please provide the guest speaker with the specific topic relevant to the unit of instruction ahead of time. You may want to supply the Objective Sheet, Information Sheet, and any other components you want the speaker to cover. Confirm the scheduled appearance two to three days prior to the presentation.

DELIVERY

Objective 1: Match terms associated with risk management to their correct definitions.

- Use Information Sheet, objective 1 to discuss terms associated with risk management.

Objective 2: List reasons insurance is important.

- Use Information Sheet, objective 2 to explain why insurance is important. Cite examples of recent natural disasters which have been in the news.
- Encourage the students to give personal examples of situations in which they or someone they know benefitted from having adequate coverage or had problems because of inadequate coverage.

Objective 3: Assess attitudes about insurance. (Assignment Sheet 1)

- Have the students complete Assignment Sheet 1.

Objective 4: Match types of insurance coverage to their correct descriptions.

- Use Information Sheet, objective 4 to explain basic types of insurance coverage.

- Have a panel of community residents explain their reasons for purchasing insurance, types of coverage they feel are necessary, and what they check when selecting an insurance company and agent.

- Have an insurance agent visit the class to discuss the types of coverage available, the costs of coverage, and his or her recommendations for the amount of coverage.

Objective 5: Evaluate family's insurance coverage. (Assignment Sheet 2)

- Have the students complete Assignment Sheet 2.

Objective 6: Select from a list guidelines for buying insurance.

- Use Information Sheet, objective 6 to discuss guidelines for buying insurance.

Objective 7: List sources for obtaining insurance.

- Use Information Sheet, objective 7 to cover the sources available for obtaining insurance.

Objective 8: Select from a list factors to check when selecting an insurance company.

- Use Information Sheet, objective 8 to present factors to check when selecting an insurance company.

Objective 9: Select from a list questions to consider when selecting an insurance agent.

- Use Information Sheet, objective 9 as the basis for a discussion about selecting an insurance agent.

Objective 10: Compare services offered by local insurance agencies. (Assignment Sheet 3)

- Emphasize the importance of comparison shopping before selecting insurance, an insurance company, or an insurance agent.
- Provide the students with telephone books to assist in their investigations.
- Have the students complete Assignment Sheet 3 by sharing the information which they have gathered.

Objective 11: State responsibilities of the insurance agent to the consumer.

- Use Information Sheet, objective 11 to present the basic responsibilities of an insurance agent.
- Have an insurance agent visit the class to discuss with the students the interrelationship of responsibilities of consumers and agents.

Objective 12: Arrange in order the steps in filing an insurance claim.

- Use Information Sheet, objective 12 to discuss how to file a claim.

EVALUATION

Pretest

- Give the Written Test as a pretest.
- Determine individual study requirements from pretest results.
- Counsel students individually on pretest results and study requirements.
- Modify materials in the unit or create supplementary materials for individual students as required.

Skill Test

- Evaluate students on Assignment Sheet activities if not previously done.
- Reteach and reevaluate if necessary.

- Modify materials in the unit or create supplementary materials for individual students as required.

Written Test

- Explain to students that they will be asked to demonstrate on the Written Test actions listed in the specific objectives.

- Give the Written Test.

  ☑ **NOTE:** The Written Test may be given in sections if desired.

- Reteach and retest if necessary.

- Review individual and group performance in order to evaluate teaching methods. Adjust the scope, sequence, or instructional approaches for additional lessons as required.

SUGGESTED RESOURCES

Print Media

- Abromovitz, Les. *Family Insurance Handbook*. Blue Ridge Summit, PA: Liberty Hall Press, 1990.

- Maedke, Wilmer O. *Consumer Education*. Blacklick, OH: Glencoe Publishing Company, Inc., 1984.

- Nader, Ralph and Wesley J. Smith. *Winning the Insurance Game*. New York: Doubleday, 1993.

- Pladsen, Carol and Denis Clifford. *Your Family Records*. Berkeley, CA: Nolo Press, 1984.

- *Sharing the Risk*, 3d ed. New York: Insurance Information Institute, 1989.

Other Media

- Teaching Kit — *You and Your Insurance*. Available from U.S. Resource Company, P.O. Box 343, St. Albans, WV 25177.

INFORMATION SHEET

RISK MANAGEMENT

2

OBJECTIVE 1

Match terms associated with risk management to their correct definitions.

- **claim** — request for payment of losses
- **claims adjuster** — person responsible for deciding how much is to be paid in a settlement
- **coverage** — risks for which a policy will pay; maximum dollar amount that the insurer will pay to settle a claim
- **deductible** — an initial payment made by the consumer for damage before the insurance company will pay what is agreed upon in the policy

  EXAMPLE: The car owner agrees to pay the first $50 or $100, the deductible amount determined in the policy, of damage to the owner's car in any one collision; then the insuring company agrees to pay the remaining amount.

  ☑ **NOTE:** The larger the deductible, the smaller the insurance premium.

- **insurance** — protection against financial loss
- **insurance agent** — an insurance company representative who sells various types of insurance
- **insurance policy** — written agreement between the consumer and the insurance company to provide specified coverage
- **insured** — person buying insurance or for whom insurance is bought
- **insurer** – company that insures against risk
- **liability** — responsibility according to the law
- **premium** — payment to the insurance company for its services

  ☑ **NOTE:** The premium may be paid once, twice, or several times a year, depending on the policy.

- **risk** — unfavorable occurrence that can be assigned reasonably accurate odds on chances of its happening

  ☑ **NOTE:** When applied to a large number of cases, the prediction may be accurate enough that an insurance program can be set up to cover the risk.

- **risk management** — arrangement of resources to protect against the consequences of an unexpected loss

  ☑ **NOTE:** Insurance is designed to protect persons and organizations against the financial burden of various kinds of risks.

- **settlement** — amount decided upon as proper for bringing an end to a claim

OBJECTIVE 2

List reasons insurance is important.

- Protects you and your family financially and lessens the hardship of unexpected economic loss

  EXAMPLE: Provides financial coverage for damage from fire, flood, or tornado

- Meets your obligation to others who might suffer injury or loss because of something you did

  EXAMPLE: Pays for damage to the other person's car when you run a stop sign and hit a car

- Makes it possible for people to take certain risks they otherwise could not take

  EXAMPLE: You might want to buy a $70,000 house but have only the $20,000 down payment. You may be able to borrow the remaining $50,000 on the condition that you take out an insurance policy that will pay the lending agency the remaining balance in the event of your death.

OBJECTIVE 3

Complete Assignment Sheet 1.

OBJECTIVE 4 **Match types of insurance coverage to their correct descriptions.**

- **life insurance** — helps protect a person and his or her family against loss of income because of the death of the insured
- **accident and health insurance** — helps protect a person against the expenses arising from illness and/or accident and against loss of income because of illness and/or accident
- **property insurance** — gives protection of financial loss if property is damaged, destroyed, or stolen
- **liability insurance** — helps protect against lawsuits in which the insured causes personal injury or property damage
- **credit life insurance** — provides for payment of remaining balance on loans in the event of the death of the borrower/policyholder

OBJECTIVE 5 **Complete Assignment Sheet 2.**

OBJECTIVE 6 **Select from a list guidelines for buying insurance.**

- Insure against those losses that may lead to financial disaster.
- Insure irreplaceable or most necessary property first.
- Never insure anything you can afford to replace yourself without undue stress.
- Be sure that coverage is adequate.

  ☑ **NOTE:** Property such as housing usually goes up in value. Insurance coverage that was bought five years ago may not be adequate to replace the property at today's costs.

- Buy types of insurance that provide coverage for situations in which you are likely to have a claim.

  EXAMPLE: Flood insurance if you live in a low-lying area near water; liability insurance if you are in a high-risk service profession such as a medical field

OBJECTIVE 7

List sources for obtaining insurance.

- Independent agent

  ☑ **NOTE:** An independent insurance agent represents many companies.

- Company agent

  ☑ **NOTE:** A company agent represents only one company.

- Mail-order brochures

OBJECTIVE 8

Select from a list factors to check when selecting an insurance company.

☑ **NOTE:** Ask friends and relatives, local business people, lawyers, or bankers for information to assist you in selecting an insurance company.

- Company's reputation
- Premium rates for the same kind of protection at different companies
- Financial strength of the company

  ☑ **NOTE:** Get a copy of the company's latest annual report from the agent or home office or check the A.M. Best reports of insurance companies in your local library.

- Possession of a state license by the company

  ☑ **NOTE:** Your state insurance commission can tell you if a company has a state license and can answer other questions you may have about insurance. You can contact your state insurance commission by writing or calling the commission at your state's capital.

- Types of insurance available

  EXAMPLE: Life, auto, homeowner's

- Availability of a nationwide claim-service network

- Promptness of claim settlement

OBJECTIVE 9

Select from a list questions to consider when selecting an insurance agent.

☑ **NOTE:** Your state insurance commission can tell you if an agent is licensed and if complaints have been made about him or her.

- Is the agent reliable?

  ☑ **NOTE:** Check with other clients to get their opinions.

- How good are the agent's services?

  ☑ **NOTE:** Ask others who have dealt with the agent.

- Will the agent talk about prices fairly and clearly with you?
- Does the agent seem to be interested in you and your needs or just in selling the policy?
- Does the agent have a CLU (Chartered Life Underwriter) designation?

OBJECTIVE 10

Complete Assignment Sheet 3.

OBJECTIVE 11

State responsibilities of the insurance agent to the consumer.

☑ **NOTE:** The insurance agent is not to recommend any certain amount of coverage for a consumer. The agent is to present to the consumer the amounts of coverage available and let the consumer decide on the amount of coverage needed.

- To assist the consumer in purchasing the best coverage for his or her needs
- To notify the consumer when insurance policy premiums are due

- To notify the claims adjuster when a claim has been made

  ☑ **NOTE:** The insurance agent is also responsible for following up the notification of the adjuster if the consumer is not contacted by the adjuster in a reasonable length of time. A reasonable length of time should be no longer than five days.

OBJECTIVE 12

Arrange in order the steps in filing an insurance claim.

☑ **NOTE:** Filing a medical insurance claim requires more detailed information. Ask your physician or employer's benefits officer to file for you.

1. Obtain the information necessary to file the claim.

   EXAMPLE: After an auto accident, write down the other driver's name and other personal information such as age, address, phone number, social security number, place of employment, and the name of the driver's insurance company and agent.

2. Contact your insurance agent.

3. Give your agent the circumstances of your loss.

   ☑ **NOTE:** This might include filling out a form and giving details of how the loss occurred.

ASSIGNMENT SHEET 1

RISK MANAGEMENT

Name ______________________________ Score __________

OBJECTIVE 3

Assess attitudes about insurance.

INTRODUCTION

Insurance provides money to lessen the hardship caused by loss. Although we all hope that we will never have an accident, fire, illness, or theft, chances are that most of us will suffer from one of these occurrences at some time.

INSTRUCTIONS

Answer the questions following each statement.

1. Hossam stated that people should not spend money on insurance of any kind. They should put the money that they would be spending on insurance into a savings account and let the money draw interest. Then if an emergency occurs, the money will be in the savings account and ready for use.

   a. Do you agree or disagree with Hossam? ______________

   b. Give your reasons. ______________________________

   ____

   ____

   ____

   ____

2. Blake said that he was a good driver and very healthy and would not get sick or be in an accident; therefore, he saw no reason to waste his money on insurance. What would be your reaction to Blake? ______________________

   ____

   ____

   ____

   ____

Reading Comprehension
- Analyze cause and effect
- Draw conclusions
- Apply word analysis techniques

Language
- Use standard grammar, spelling, and capitalization
- State ideas clearly

- Identify/evaluate consequences
- Evaluate results/outcomes

3. Jhunda believes that insurance costs too much and gives the consumer too little for his or her money. He feels that policyholders should get their money back at the end of the year if they have not filed a claim.

   a. Do you agree or disagree? ____________________

   b. Give your reasons. ____________________

   ____

   ____

   ____

   ____

   c. Was Jhunda's statement fair to the insurance company?

   ____

   d. Why? ____________________

   ____

4. Stanzi paid $33,000 for a house in 1985. She bought insurance for the house with coverage of $33,000. Since then, she has not increased her coverage.

   a. What could be a problem with her coverage? ____________________

   ____

   b. What should she do to solve her problem?

   ____

   ____

   ____

   ____

   ____

ASSIGNMENT SHEET 2 — *RISK MANAGEMENT*

Name ______________________________ Score __________

OBJECTIVE 5

Evaluate family's insurance coverage.

INTRODUCTION

If your insurance coverage is not adequate, a major catastrophe might easily cause you to lose everything. On the other hand, carrying larger amounts of insurance than is necessary can be costly.

It is impractical to insure against all possible risks. You must carefully study your situation and determine which risks are most serious.

INSTRUCTIONS

Evaluate your family's insurance coverage, using the following chart as a guide.

Functional Writing
- Complete forms and records

Cognitive Activities
- Collect/record information
- Predict results/outcomes
- Evaluate alternatives

Type of Insurance	**Name of Insurance Company**	**Insurance Agent's Name**	**Policy Number**	**Where Policy Is Kept**	**Adequacy of Coverage**
EXAMPLE: Property—Home	Farmers Union	Jim Brown	XB0172221784	Insurance file in kitchen cabinet	Covers only 70 percent of the structure and content

1. Do you feel your family's insurance coverage is adequate? Explain.

____

____

2. What additional coverage would you consider for yourself? Why?

____

____

ASSIGNMENT SHEET 3

RISK MANAGEMENT

2

Name ______________________ Score __________

OBJECTIVE 10

Compare services offered by local insurance agencies.

INTRODUCTION

Insurance is like everything else that you purchase—prices, policies, and services vary. It is important to shop around for the best deal. You need to select an insurance agent who will offer you the best price available for the kinds of insurance you need.

INSTRUCTIONS

Using the yellow pages from your local phone book, gather information about local insurance agencies. Call agents to request coverage available and the premium for an automobile, a new Ford Mustang, driven by you.

Functional Writing
- Complete forms and records

Listening
- Apply active listening skills

Interactive Communications
- Apply questioning techniques
- Apply telephone etiquette

Agent Information	Types of Insurance Available	Coverage	Premiums
EXAMPLE: Randall Weir 1400 Main Northfield, MN 00022 555-777-0001	New car	Comprehensive	$400 per six months

RISK MANAGEMENT

Name ______________________________ Score _________

OBJECTIVE 1

Match terms associated with risk management to their correct definitions. Write the correct letters in the blanks.

A. claim
B. deductible
C. insurance
D. insurance policy
E. claims adjuster
F. insured
G. premium

H. risk management
I. settlement
J. insurance agent
K. coverage
L. insurer
M. risk
N. liability

____ 1. Request for payment of losses

____ 2. Responsibility according to the law

____ 3. An insurance company representative who sells various types of insurance

____ 4. Amount decided upon as proper for bringing an end to a claim

____ 5. Protection against financial loss

____ 6. Person responsible for deciding how much is to be paid in a settlement

____ 7. Risks for which a policy will pay; maximum dollar amount that the insurer will pay to settle a claim

____ 8. Unfavorable occurrence that can be assigned reasonably accurate odds on chances of its happening

____ 9. An initial payment made by the consumer for damage before the insurance company will pay what is agreed upon in the policy

____ 10. Written agreement between the consumer and the insurance company to provide specified coverage

____ 11. Company that insures against risk

May be photocopied for student use.

____ 12. Payment to the insurance company for its services

____ 13. Person buying insurance or for whom insurance is bought

____ 14. Arrangement of resources to protect against the consequences of an unexpected loss

OBJECTIVE 2

List reasons insurance is important. List three reasons in the blanks.

- ______________________________
  ____
- ______________________________
  ____
- ______________________________
  ____

OBJECTIVE 3

Evaluated on Assignment Sheet 1

OBJECTIVE 4

Match types of insurance coverage to their correct descriptions. Write the correct letters in the blanks.

A. property insurance
B. life insurance
C. liability insurance
D. accident and health insurance
E. credit life insurance

____ 1. Helps protect a person and his or her family against loss of income because of the death of the insured

____ 2. Helps protect against lawsuits in which the insured causes personal injury or property damage

____ 3. Gives protection of financial loss if property is damaged, destroyed, or stolen

____ 4. Provides for payment of remaining balance on loans in the event of the death of the borrower/policyholder

May be photocopied for student use.

____ 5. Helps protect a person against the expenses arising from illness and accident and against loss of income because of illness and/or accident

OBJECTIVE 5

Evaluated on Assignment Sheet 2

OBJECTIVE 6

Select from a list guidelines for buying insurance. Write an "X" in the blank before each correct answer.

____ 1. Never insure anything you can afford to replace yourself without undue stress.

____ 2. Always buy the lowest-priced policy.

____ 3. Insure irreplaceable or most necessary property first.

____ 4. Buy types of insurance that provide coverage for situations in which you are likely to have a claim.

____ 5. Buy all of your insurance from one company.

____ 6. Be sure that coverage is adequate.

____ 7. Insure against those losses that may lead to financial disaster.

OBJECTIVE 7

List sources for obtaining insurance. List three sources in the blanks.

- ____________________
- ____________________
- ____________________

OBJECTIVE 8

Select from a list factors to check when selecting an insurance company. Write an "X" in the blank before each correct answer.

____ 1. Number of agents that a company has

____ 2. Company's reputation

____ 3. Promptness of claim settlement

May be photocopied for student use.

____ 4. Financial strength of the company

____ 5. Age of employees at the company

____ 6. Possession of a state license by the company

____ 7. Premium rates for the same kind of protection at different companies

____ 8. Quality of the office furnishings

____ 9. Availability of a nationwide claim-service network

____ 10. Types of insurance available

OBJECTIVE 9

Select from a list questions to consider when selecting an insurance agent. Write an "X" in the blank before each correct answer.

____ 1. What church does the agent attend?

____ 2. Will the agent talk about prices fairly and clearly with you?

____ 3. How good are the agent's services?

____ 4. Is the agent reliable?

____ 5. Is the agent male or female?

____ 6. Does the agent seem to be interested in you and your needs or just in selling the policy?

____ 7. What is the agent's age?

____ 8. Does the agent have a CLU designation?

OBJECTIVE 10

Evaluated on Assignment Sheet 3

OBJECTIVE 11

State responsibilities of the insurance agent to the consumer. Describe three responsibilities in the blanks.

- ____
  ____

May be photocopied for student use.

- ____

  ____

- ____

  ____

OBJECTIVE 12

Arrange in order the steps in filing an insurance claim. Write a "1" before the first step, a "2" before the second step, etc.

____ A. Contact insurance agent.

____ B. Give your agent the circumstances of your loss.

____ C. Obtain the information necessary to file the claim.

May be photocopied for student use.

ASSIGNMENT SHEETS

OBJECTIVE 3

Assignment Sheet 1

Evaluated to the satisfaction of the instructor

The following are suggested answers:

1. a. Disagree

   b. One accident or disaster such as a fire can completely destroy all of one's possessions. The amount saved by not paying premiums, including the interest, would not go very far in replacing one's home, car, or other losses.

2. No one has a guarantee that he will not have an accident or become ill.

3. a. Disagree

   b. Insurance companies must have the money collected from premiums to pay the claims. In most cases one claim will amount to more than a person pays in premiums for a year.

   c. No

   d. Insurance companies render a service for the fee charged.

4. a. The value of her house may have increased beyond its insured value.

   b. She should increase the amount of coverage because the value of the house is much more than the $33,000 that she paid for it in 1985.

OBJECTIVE 5

Assignment Sheet 2

Evaluated to the satisfaction of the instructor

OBJECTIVE 10

Assignment Sheet 3

Evaluated to the satisfaction of the instructor

WRITTEN TEST

OBJECTIVE 1

1. A
2. N
3. J
4. I
5. C
6. E
7. K
8. M
9. B
10. D
11. L
12. G
13. F
14. H

OBJECTIVE 2

Answer should include all of the following:

- Protects you and your family financially and lessens the hardship of unexpected economic loss
- Meets your obligation to others who might suffer injury or loss because of something you did
- Makes it possible for people to take certain risks they otherwise could not take

OBJECTIVE 3

Evaluated on Assignment Sheet 1.

OBJECTIVE 4

1. B
2. C
3. A
4. E
5. D

OBJECTIVE 5

Evaluated on Assignment Sheet 2.

OBJECTIVE 6

1, 3, 4, 6, 7

OBJECTIVE 7

Answer should include all of the following:

- Independent agent
- Company agent
- Mail-order brochures

OBJECTIVE 8

2, 3, 4, 6, 7, 9, 10

OBJECTIVE 9

2, 3, 4, 6, 8

OBJECTIVE 10

Evaluated on Assignment Sheet 3.

OBJECTIVE 11

Statement should include all of the following:

- To assist the consumer in purchasing the best coverage for his or her needs
- To notify the consumer when insurance policy premiums are due
- To notify the claims adjuster when a claim has been made

OBJECTIVE 12

A. 2
B. 3
C. 1

OBJECTIVE SHEET

HEALTH INSURANCE

3

INTRODUCTION

Even if you have good health, you should have a good health insurance plan because the cost of a serious accident or major illness can easily be thousands of dollars. Health insurance is, therefore, an essential element in managing your personal matters because of the protection it provides for your financial well-being. This unit helps you learn about selecting and using health insurance.

UNIT OBJECTIVE

After completing this unit, you will show the following competencies by mastering the activities on the Assignment Sheets and by scoring at least 85% on the Written Test.

SPECIFIC OBJECTIVES

1. Match terms associated with health insurance to their correct definitions.
2. Select from a list factors that contribute to rising health care costs.
3. Estimate health care costs. (Assignment Sheet 1)
4. Select from a list factors that affect the cost of health insurance.
5. List general rules for selecting adequate health insurance coverage.
6. Match types of government-sponsored health insurance programs to their correct descriptions.
7. Select from a list features of workers' compensation.
8. Select from a list facts about group and individual health insurance policies.
9. Match types of health insurance to their correct descriptions.
10. Select appropriate insurance coverage for specific situations. (Assignment Sheet 2)
11. Obtain information from a health insurance policy. (Assignment Sheet 3)

12. List insurance information needed by a hospital to admit a patient.

13. Provide information for a hospital admission sheet. (Assignment Sheet 4)

14. Describe methods insurance companies use to pay benefits.

15. List qualifications for a health care professional.

16. Select from a list questions to ask a doctor which may increase the cost-effectiveness of medical procedures and prescription drugs.

17. List facts about health maintenance organizations.

18. List ways the consumer can reduce health care costs.

SUGGESTED ACTIVITIES

HEALTH INSURANCE

3

PREPARATION

- Review the unit and plan your presentation.
- Determine the scope and sequence of objectives you add. Design and develop support materials, including evaluation techniques for additional objectives.
- Review the teaching suggestions, and plan classroom activities.
- Determine how you will schedule time for students to demonstrate competence in the required procedures.
- Order materials to supplement the unit.
- Order videos.
- Invite guest speakers.

☑ **NOTE:** Please provide the guest speaker with the specific topic relevant to the unit of instruction ahead of time. You may want to supply the Objective Sheet, Information Sheet, and any other components you want the speaker to cover. Confirm the scheduled appearance two to three days prior to the presentation.

DELIVERY

Objective 1: Match terms associated with health insurance to their correct definitions.

- Use Information Sheet, objective 1 to discuss terms associated with health insurance.

Objective 2: Select from a list factors that contribute to rising health care costs.

- Emphasize that rising health care costs make it necessary for average consumers to protect themselves against the financial burden of health care costs; point out that even though insurance is expensive, most people cannot afford to be without it.
- Use Information Sheet, objective 2 to discuss factors that contribute to rising health care costs.

- Have the students collect and post news articles daily during this unit which stress how health care costs affect individuals, companies, and government agencies.

Objective 3: Estimate health care costs. (Assignment Sheet 1)

- Have the students complete Assignment Sheet 1.

Objective 4: Select from a list factors that affect the cost of health insurance.

- Use Information Sheet, objective 4 to discuss factors which determine the cost of health insurance.

Objective 5: List general rules for selecting adequate health insurance coverage.

- Use Information Sheet, objective 5 to present guidelines for selecting adequate health insurance coverage.

- Have the students share their experiences or knowledge of others' experiences in facing a health problem. Have them explain if health insurance coverage was adequate or not.

Objective 6: Match types of government-sponsored health insurance programs to their correct descriptions.

- Use Information Sheet, objective 6 to explain the different types of government-sponsored health insurance programs.

Objective 7: Select from a list features of workers' compensation.

- Use Information Sheet, objective 7 to present the benefits available to all employees through workers' compensation.

Objective 8: Select from a list facts about group and individual health insurance policies.

- Use Information Sheet, objective 8 to compare group and individual policies.

Objective 9: Match types of health insurance to their correct descriptions.

- Use Information Sheet, objective 9 to provide basic information about different types of health insurance.

- Have an insurance professional visit the class to provide in-depth information about each type of health insurance.

Objective 10: Select appropriate insurance coverage for specific situations. (Assignment Sheet 2)

- Have the students complete Assignment Sheet 2.
- During class, allow the students to explain their insurance selection for each situation.

Objective 11: Obtain information from a health insurance policy. (Assignment Sheet 3)

- Obtain and provide the students with copies of a health insurance policy covering hospitalization, surgical, regular medical, and major medical expenses. The students will use this policy to complete Assignment Sheet 3.
- Have the students complete Assignment Sheet 3.

Objective 12: List insurance information needed by a hospital to admit a patient.

- Use Information Sheet, objective 12 to present the basic insurance information required for hospital admission.
- Invite a hospital admissions clerk to discuss local procedures for admissions and insurance benefit payments. Also, ask the clerk about the policy regarding refusal to admit certain patients. What are the rights of the uninsured regarding emergency care?

Objective 13: Provide information for a hospital admission sheet. (Assignment Sheet 4)

- Have the students complete Assignment Sheet 4.

Objective 14: Describe methods insurance companies use to pay benefits.

- Use Information Sheet, objective 14 to discuss the ways insurance companies pay benefits.
- Have an insurance company representative discuss with the students how claims are filed and how benefits are paid. Have him or her discuss specific types of health insurance coverage.

Objective 15: List qualifications for a health care professional.

- Use Information Sheet, objective 15 to discuss the qualifications of health care professionals.

Objective 16: Select from a list questions to ask a doctor which may increase the cost-effectiveness of medical procedures and prescription drugs.

- Use Information Sheet, objective 16 to emphasize the patient's responsibility in authorizing tests and treatments and in using prescription drugs.
- Have a pharmacist discuss with the students how the patient, pharmacist, and physician can all work together to make the use of prescription drugs safe and effective.
- Invite a doctor to discuss with the students the questions patients should ask about tests, treatments, and prescription drugs when requiring specific treatment.

Objective 17: List facts about health maintenance organizations.

- Use Information Sheet, objective 17 to introduce the concept of health maintenance organizations as an alternative to health insurance.
- Have a representative of a health maintenance organization provide students with a detailed explanation of services available through the program.

Objective 18: List ways the consumer can reduce health care costs.

- Use Information Sheet, objective 18 as the basis for a discussion of the consumer's responsibility in controlling health care costs.
- Lead a discussion with the students about the need for health care reform. Discuss problems with health care, health insurance, and government attempts to reform this industry.

EVALUATION

Pretest

- Give the Written Test as a pretest.
- Determine individual study requirements from pretest results.
- Counsel students individually on pretest results and study requirements.

- Modify materials in the unit or create supplementary materials for individual students as required.

Skill Test

- Evaluate students on Assignment Sheet activities if not previously done.
- Reteach and reevaluate if necessary.
- Modify materials in the unit or create supplementary materials for individual students as required.

Written Test

- Explain to students that they will be asked to demonstrate on the Written Test actions listed in the specific objectives.
- Give the Written Test.

☑ **NOTE:** The Written Test may be given in sections if desired.

- Reteach and retest if necessary.
- Review individual and group performance in order to evaluate teaching methods. Adjust the scope, sequence, or instructional approaches for additional lessons as required.

SUGGESTED RESOURCES

Print Media

- Abromovitz, Les. *Family Insurance Handbook*. Blue Ridge Summit, PA: Liberty Hall Press, 1990.
- Campbell, Sally R. *The Confident Consumer*. South Holland, IL: Goodheart-Willcox Company, Inc., 1990.
- Enteen, Robert. *Health Insurance*. New York: Paragon House, 1992.
- Kessinger, Roger A. *Insurance and Alternatives for Uninsurables*. Boise, ID: Kessinger Publishing Company, 1989.
- Korn, Donald Jay. *Your Money or Your Life: How to Save Thousands on Your Health-Care Insurance*. New York: Macmillan Publishing Company, 1992.

- Maedke, Wilmer O. *Consumer Education.* Blacklick, OH: Glencoe Publishing Company, Inc., 1984.

- Nader, Ralph and Wesley J. Smith. *Winning the Insurance Game.* New York: Doubleday, 1993.

- Solis, Virginia L. *Health Insurance: Managing Your Health Care Costs.* Oklahoma State University Extension Fact Sheet, T-4136. Stillwater, OK: Cooperative Extension Service, Oklahoma State University, n.d.

INFORMATION SHEET

HEALTH INSURANCE

3

OBJECTIVE 1

Match terms associated with health insurance to their correct definitions.

- **affiliation** — specific connection with an organization
- **coinsurance** — system of insurance whereby the insurance company will pay only a percentage of the remainder of the bill after the insured has paid the deductible

  ☑ **NOTE:** Major medical policies usually pay 75 to 80 percent of the bill, and the insured pays the rest. Try to find insurance arrangements that state after the insured has paid a certain amount, then the insurance company pays 100 percent of the remainder of the expenses that are covered in the policy.

- **fringe benefits** — payment made to an employee other than wages or salary
- **generic drug** — common form of a drug; usually costs less than a similar brand-name drug
- **policyholder** — person who owns the insurance policy

OBJECTIVE 2

Select from a list factors that contribute to rising health care costs.

☑ **NOTE:** Rising health care costs have made it necessary for most Americans to rely on health insurance.

- Inflation
- Greater demand for health services
- Development of medical techniques and procedures

  ☑ **NOTE:** The expense of medical research and technology is passed on to the consumer through charges for services and medications.

- Abuse of insurance

  ☑ **NOTE:** Abuse of insurance results in premium increases for all consumers.

  EXAMPLE: Consumers going to medical specialists for common ailments and suing physicians and hospitals without justification; physicians and hospitals over charging for services

OBJECTIVE 3 **Complete Assignment Sheet 1.**

OBJECTIVE 4 **Select from a list factors that affect the cost of health insurance.**

- Type(s) of health insurance selected

  EXAMPLE: Hospitalization, major medical, dental

- Type of policy

  EXAMPLE: Group and individual

- Age of the insured
- Sex of the insured
- Physical condition of the insured

  ☑ **NOTE:** Most health insurance forms now have questions about Acquired Immune Deficiency Syndrome (AIDS). Any history of AIDS automatically excludes a person from health insurance coverage. In other words, companies will not insure persons who have AIDS or test positive as AIDS carriers. Once a person has been diagnosed as having AIDS, she or he lives only an average of two years and creates medical bills averaging $700,000.

  EXAMPLE: Smokers, diabetics, and cancer victims, if covered, will pay much higher premiums.

- Medical history of the insured
- Occupation of the insured
- Medical care cost in the local area

OBJECTIVE 5

List general rules for selecting adequate health insurance coverage.

- Insure against major medical expenses.

  ☑ **NOTE:** It is usually more expensive to insure against routine or predictable expenses. Buy coverage for situations you are likely to encounter, such as pregnancy, major surgery, or hereditary diseases.

- Consider the advantages of group and individual policies.

  ☑ **NOTE:** Group plans can often be less expensive than a patchwork of separate policies and companies which may duplicate coverages.

- Buy across-the-board coverage.

  ☑ **NOTE:** Some policies cover only specifically named accidents or diseases.

- Consider policies which provide regular income for the disabled.

OBJECTIVE 6

Match types of government-sponsored health insurance programs to their correct descriptions.

- **Workers' compensation** — provides state-funded benefits for employees' injuries or illnesses resulting from their jobs

- **Medicaid** — pays the medical expenses for needy people of all ages with state and federal funds

  ☑ **NOTE:** Plans are drawn up by the state and financed with state funds matched by federal funds. As a result, various state plans differ as to who is covered and what money they will receive.

- **Medicare** — provides medical benefits to the aged through the social security system

  ☑ **NOTE:** Medicare covers almost all those age 65 or older and those who have received social security benefits for disability for two consecutive years or more.

OBJECTIVE 7

Select from a list features of workers' compensation.

- Is in effect in all states
- Is provided by an employer

  ☑ **NOTE:** This applies usually to firms with four or more full-time employees.

- Covers injury on the job
- Covers illness as the result of a job
- Pays a percentage of earnings
- Pays accidental death benefits

  ☑ **NOTE:** If an employee is killed on the job, benefits are paid to his or her beneficiary.

OBJECTIVE 8

Select from a list facts about group and individual health insurance policies.

- **Group Policies**
  - ☐ Provide coverage at comparatively low costs
  - ☐ Are often available through place of work

    ☑ **NOTE:** Many times health insurance is a fringe benefit offered by an employer. Under the COBRA act, companies employing more than 20 people must offer former employees the continuation of insurance coverage for up to 18 months; the former employee pays the premium plus two percent monthly.

  - ☐ May offer limited coverage; are difficult to tailor to individual needs

    ☑ **NOTE:** If a group plan does not offer enough coverage for your needs, purchase additional coverage.

- **Individual Policies**
    - ☐ Offer protection for those not eligible for membership-type policies
    - ☐ Can be specifically tailored to meet personal needs
    - ☐ Can provide continued coverage between jobs

OBJECTIVE 9 **Match types of health insurance to their correct descriptions.**

☞ **NOTE:** These types of health insurance can be bought separately but are usually sold on a package basis.

- **accident** — provides payment for medical expenses that result from accidents
- **dental** — usually covers normal dental care, preventive dental care, and tooth damage caused by accidents
- **hospitalization** — provides benefits to cover some or all of the cost of room, board, and other in-hospital services

    EXAMPLE: Room accommodations, food service, routine nursing care, minor medical supplies

    ☞ **NOTE:** A specific amount is allowed for each day in the hospital up to a limited number of days. In-hospital service can include the use of the operating room, anesthesia, laboratory fees, drugs, dressings, and X-rays. The bill for supplies might be less if a patient does not accept a supply item such as a box of tissues.

- **loss of income** — pays benefits with regular payments to wage earners when their income is cut off as a result of an illness or accident
- **major medical** — provides protection against the cost that results from serious accidents or prolonged illness

    ☞ **NOTE:** Most major medical plans are designed to pick up medical expenses at the point where basic plans such as hospital payments and surgical cost stop. A common feature is for major medical insurance plans to have both deductible and coinsurance features.

- **regular medical expense** — usually covers doctor's fees for nonsurgical care in a hospital, at home, or at the doctor's office

  ☑ **NOTE:** This type of insurance is sometimes called general insurance. The policy specifies the amount that is payable and number of calls with a maximum number of calls or days as stated in the policy.

- **surgical** — pays all or part of a surgeon's fees for an operation

  ☑ **NOTE:** Fees for office calls made before and after the operation may be included.

OBJECTIVE 10 **Complete Assignment Sheet 2.**

OBJECTIVE 11 **Complete Assignment Sheet 3.**

OBJECTIVE 12 **List insurance information needed by a hospital to admit a patient.**

☑ **NOTE:** If a patient is brought into the emergency room and is unable to give this information, it will be obtained from relatives.

- Name and address of the insurance company
- Policy number
- Policyholder's name
- Claim form

  ☑ **NOTE:** Some patients will bring their own form, or the patient can sign the hospital's standard form. After treatment, the hospital will file the claim with the insurance company.

OBJECTIVE 13 **Complete Assignment Sheet 4.**

OBJECTIVE 14

Describe methods insurance companies use to pay benefits.

- **Managed care approach** — Insurance company has arranged with the health care provider to render services at a predetermined date. The insurance company monitors the necessity, method, and amount of health care rendered. The hospital is paid on a discount, case rate, or per diem rate depending upon the contracted agreement with the insurance company. In addition to his or her premium, the insured pays a small co-payment as stipulated in his or her policy. Eighty percent of insured people in the USA contract with an insurance company that uses this method.

  ☑ **NOTE:** Medicare, Medicaid, HMOs (Health Maintenance Organizations), and PPOs (Preferred Provider Organizations) are popular managed care providers.

  EXAMPLE: Your primary care physician, who is the "gatekeeper" for the insurance company, refers you to a specialist for surgery. You pay a standard co-payment (usually less than $25) for all medically necessary services rendered. The remainder of the cost is paid by the insurance company.

- **Indemnity approach** — Insurance company reimburses the insured the actual amount of covered losses up to stated policy maximums. This is commonly an 80-20 basis with the insurance company paying 80 percent and the insured paying 20 percent. Because most hospitals ask at the time of admission if the patient wants to assign insurance benefits to the hospital, the insured is saved from having to pay for the entire service and then waiting to be reimbursed.

  EXAMPLE: The cost of the hospital room is $300 per day. The insurance company pays $240; the insured pays $60.

- **Value approach** — Insurance company pays the insured a specified amount regardless of the costs incurred. This approach is commonly used by companies that provide supplemental coverage. Primary care insurance companies use the managed care or indemnity approaches.

  EXAMPLE: The cost of the hospital room is $300 per day, but the specified amount in the insurance policy is $100 per day. The insured receives $100 and pays the entire bill.

  ☑ **NOTE:** All insurance benefits are coordinated. If you have two insurance policies, benefits are combined to pay the total health service charges.

OBJECTIVE 15 **List qualifications for a health care professional.**

☑ **NOTE:** Most health insurance policies allow coverage for only those services provided by qualified health care professionals. It is the consumer's responsibility to seek medical care from recognized professionals.

- Graduation from an approved school
- License to practice in your state
- Member of professional societies and associations

  EXAMPLE: American Medical Association
- Affiliation with a local hospital
- Good reputation among patients and other professionals

OBJECTIVE 16 **Select from a list questions to ask a doctor which may increase the cost-effectiveness of medical procedures and prescription drugs.**

☑ **NOTE:** Although health insurance coverage can include prescription drugs, testing, treatment, hospitalization, and surgery, it rarely covers their total cost. Wise consumers can protect themselves from unnecessary medical expenses by asking their physician key questions. Additionally, for serious, expensive, or lengthy treatments, you may want to seek a second opinion before proceeding.

- **Drugs**
  - ☐ What is in the drug?

    ☑ **NOTE:** Some people have reactions to certain drugs.
  - ☐ Is the drug really necessary?
  - ☐ Can a generic drug be substituted?

    ☑ **NOTE:** Use of generic drugs, which usually do not cost as much as brand name drugs, can help keep down medical costs.
  - ☐ What does the drug do?

  - ☐ How much of the drug should be taken?
  - ☐ What time of day should the drug be taken and for how many days?
  - ☐ What side effects are caused by the drug?

    ☑ **NOTE:** Ask specifically about interaction with other drugs, food, alcoholic beverages, etc.

  - ☐ How soon will you see results or improvement?

- **Diagnosis and treatment procedures**

  ☑ **NOTE:** Questions about diagnosis and treatment procedures concern testing, treatment, hospitalization, and surgery.

  - ☐ Is the procedure really necessary?
  - ☐ What is the purpose of the procedure?
  - ☐ What does the procedure involve?
  - ☐ Can this procedure be done on an out-patient basis, or is hospitalization necessary?

    ☑ **NOTE:** If hospitalization is necessary, one should ask about length of stay and type of room.

  - ☐ What side effects are caused?
  - ☐ What recuperation period will be needed?
  - ☐ Will follow-up treatment or additional procedures be necessary?

OBJECTIVE 17 **List facts about health maintenance organizations.**

☑ **NOTE:** Health maintenance organizations offer an alternative to health insurance. Before joining a health maintenance organization, find out what services it offers and what facilities are associated with it. Check the qualifications of the health care professionals. Ask about fees and what they include. Then compare the cost and services of the health care and health insurance coverages. Choose the plan that will be best for you and your family.

- Provide health services rather than benefits for medical services
- Are usually provided through an employment group plan
- Are usually paid for by the employer or employee by paying a lump sum or monthly fee

  ☞ **NOTE:** The fee usually covers the cost of many hospitals and medical services. Then if the insured becomes ill, he or she goes to a doctor who is associated with the health maintenance organization to receive the health care that is needed at no additional cost.

OBJECTIVE 18 **List ways the consumer can reduce health care costs.**

☞ **NOTE:** Although health care costs in general continue to rise, the consumer can take steps to reduce individual costs.

- Avoid known health risks.

  EXAMPLE: Smoking, excessive exposure to sunlight, driving without seat belts, etc.

- Emphasize wellness.

  EXAMPLE: Eat a well-balanced diet; exercise appropriately; get adequate rest; etc.

- Utilize free or low-cost health services available to you through your employer or union health programs, community programs, and government programs.

  EXAMPLE: Blood pressure checks and cholesterol screenings offered at community health fairs; childhood immunizations provided by county health departments; treadmills, stationary exercise bikes, and other fitness equipment available in employee gyms

- Comparison shop for insurance to get the coverage which best fits your needs at the lowest price.

  ☞ **NOTE:** Be sure that your coverage provides protection against major medical costs.

- Know exactly what expenses your health insurance covers, and file claims promptly for all covered expenses.
- Minimize hospital costs by requesting out-patient care when appropriate.
- Get a second opinion from another physician or specialist before agreeing to non-emergency surgery.

☑ **NOTE:** Some insurance policies require and pay for a second opinion, and failure to comply may reduce benefits.

ASSIGNMENT SHEET 1

HEALTH INSURANCE

Name ______________________________ Score __________

OBJECTIVE 3

Estimate health care costs.

INTRODUCTION

The cost of health care, like almost everything else, has risen dramatically in the past two decades. For just a few days' stay in a hospital, the cost can be several thousand dollars, depending on the treatment. This is why health insurance is so important.

INSTRUCTIONS

The bill below shows the hospital costs of having a baby in 1989 in a medium-size hospital.

Using the following table, estimate the cost of health care in your community by recording your estimates in Column A and record the actual cost in Column B. Obtain figures for Column B by interviewing someone knowledgeable about the cost of health care. This could be a doctor, nurse, or person in charge of billing in a hospital or doctor's office.

Language
- Use standard grammar, spelling, and capitalization
- State ideas clearly

Functional Writing
- Complete forms and records

Interactive Communications
- Apply questioning techniques

Cognitive Activities
- Identify/evaluate consequences
- Identify/develop alternatives

5/30/89

Lone Elm Hospital
110 Hickory Nut Ridge
Rockford, Oklahoma 74623

Lois Patterson	884722
NAME	POLICY NUMBER

May 1 to May 5
SERVICE FROM

	day	rate per day		COLUMN A today's cost (your estimate)	COLUMN B today's actual cost
hospital room	5	176.50	882.50	$________	$________
care of newborn	5	110.00	550.00	$________	$________
routine service			60.00	$________	$________
delivery room			300.00	$________	$________
anesthesia			150.00	$________	$________
total			$1,942.50	$________	$________

1. How much did you overestimate or underestimate the actual cost for hospitalization?

____

2. Were you surprised at the cost? ____________________

Explain your answer. __________________________

____

____

3. Do you see the need for health insurance? ____________________

   Explain your answer. ____________________________________

   ____

   ____

4. Since health care is so expensive, it is very important for you to do all you can to stay healthy. What steps do you take to stay healthy? ____________________________________

   ____

   ____

   ____

   ____

5. What can you change in your lifestyle to lessen your chances of illness? ____________________________________

   ____

   ____

   ____

   ____

ASSIGNMENT SHEET 2 — *HEALTH INSURANCE*

Name ______________________________ Score __________

OBJECTIVE 10

Select appropriate insurance coverage for specific situations.

INTRODUCTION

Because of the high cost of health care, insurance is a must. Many Americans today are covered by group health insurance provided through their employers or unions at a reasonable cost. The employer may pay part or all of the cost of this insurance for employees and their dependents. Coverage usually ends after a specified period when the employee leaves his or her job.

To further supplement individual needs and to cover those not in a group plan, insurance organizations offer many types of individual or family health policies. Those who want to carry out sound financial planning should have a clear idea of what health care coverage they have and what coverage is available to meet the costs of health emergencies.

INSTRUCTIONS

Recommend a type or types of insurance for the following situations.

1. Haroldine has hepatitis. She spent only a short time in the hospital, but the doctor told her she should stay home from work to rest and recover for about eight weeks. She has only seven days of sick leave.

   Haroldine's insurance covered the medical costs. What additional type of insurance should she have purchased?

   ____

   ____

2. Conger had his tonsils taken out. The surgeon's bill arrived yesterday. What type of insurance would have helped Conger pay for this bill?

   ____

   ____

Reading Comprehension
- Draw conclusions
- React to written material

Functional Reading
- Use content area vocabulary

Language
- Use standard grammar, spelling, and capitalization
- State ideas clearly

3. Roberto was hurt on the job. He has to be off work for several months. What type of insurance program would help Roberto?

4. Oren suffered a very badly damaged arm in a motorcycle accident. The damage to the arm will require a series of six operations, extensive physical therapy, and a hospital stay of at least three months. Complications require that a specialist be called in. What type of insurance does Oren need?

5. Jacqui has developed a skin rash and finds she has to visit the doctor twice a week for a month. What type of insurance would help Jacqui pay for this health care?

6. Janet is going to have several of her teeth filled. Some may even have to be capped. What type of insurance would help Janet pay for this health care?

7. Otto is 67 years old. What type of insurance program should Otto be investigating?

8. Teena is a young mother, and her family has fallen on hard times. She and her husband have lost their jobs because their office closed. Their daughter Betty is sick, and there is no money for medical care and no insurance. What type of insurance program would be the answer to their problems?

ASSIGNMENT SHEET 3

HEALTH INSURANCE

3

Name ______________________________ Score __________

OBJECTIVE 11

Obtain information from a health insurance policy.

INTRODUCTION

Health care is a very important matter for Americans. Since 1847, when the first, very limited sickness insurance policy was offered, health insurance coverage has grown steadily.

Health insurance policies and premiums are quite different from company to company. Many combinations of coverage and plans are available. Before buying health insurance, check with a number of companies. Look into group plans. Check to see if your policy will pay even if you are covered under another policy. Remember also that your needs may change. Reevaluate your needs annually and make any changes that may be required.

INSTRUCTIONS

Reading Comprehension
- Gain factual information
- React to written material

Functional Reading
- Interpret forms and records

Language
- Use standard grammar, spelling, and capitalization
- State ideas clearly

Obtain information from a health insurance policy by answering the following questions. Use the policy provided by your teacher.

1. Is the insurance policy a group plan or an individual plan?

____

____

2. What is the name of the insurance company?

____

____

3. What family members are covered?

____

____

HOSPITAL EXPENSES

4. How many days in the hospital are covered?

____

5. How much per day is paid for room and board?

____

6. How much is the deductible, if any?

____

7. How long is the waiting period before benefits start?

____

8. How can the insurance company cancel the policy?

____

____

____

____

SURGICAL EXPENSES

9. What kinds of surgery are covered?

____

____

____

____

REGULAR MEDICAL EXPENSES (PHYSICIANS)

10. How much is paid for each visit to the doctor's office?

____

11. Is a deductible clause included? ____________________

How much is it? ____________________________

MAJOR MEDICAL

12. What is the maximum amount the policy will cover?

____

13. How much coinsurance must the policyholder pay?

14. How much is the deductible?

15. What out-of-hospital expenses are covered?

16. Briefly summarize the exclusions, if any.

ASSIGNMENT SHEET 4

HEALTH INSURANCE

3

Name ______________________________ Score __________

OBJECTIVE 13

Provide information for a hospital admission sheet.

INTRODUCTION

As part of admission to a hospital, a patient must complete an admission sheet. Usually the information is recorded by someone working in the admissions office of the hospital. If the patient is brought into the emergency room, the information may be obtained from a relative if necessary.

☑ **NOTE:** Hospitals cannot treat minor children without the permission of the parents or legal guardian. Parents or legal guardians should provide instructions for their children's caregivers to follow in emergency situations.

INSTRUCTIONS

Functional Reading
- Follow written instructions

Language
- Use standard grammar, spelling, and capitalization
- State ideas clearly

Functional Writing
- Complete forms and records

Much of the information that is recorded on the admission sheet pertains to your insurance coverage. Provide information for the hospital admission sheet on the following pages. Complete only the top half, stopping just before the "Provisional Diagnosis" section. The bottom section would be completed by hospital personnel.

Admission Sheet

Family Name	First Name	Middle Name	Home Phone		Room No.	Hosp. No
Mailing Address	City	Zone	State	Sex M F	Civil Status M S W D Sep.	Religion
Age-Yrs	Birth Date Mo. Day Year	Birthplace	Nationality			Soc. Sec. No.
Occupation	Employer or Employer of Spouse	Address of Employer-Phone				
Name of Husband, Maiden Name of Wife or Parent	Address if Other Than Above		Birthplace			
Notify in Case of Emergency	Relationship	Address		Phone		
Name of Blue Cross and/or Blue Shield Plan	Type	Group No.	Contract No.	Effective Date		
Other Hospitalization Insurance Name	Address		Policy Number	Policy Holder		
Medicare #	Welfare #					
Person Responsible for This Account	Relationship	Person Responsible for This Account Must Sign Below on Admission of Patient.				
Mailing Address	City	State	Employer			
Address of Employer-Phone	I Hereby Agree to Pay for Services Rendered to This Patient-Signature of Guarantor					
Attending Physician	Date of Last Admission	Admission Date A.M. P.M.	Discharge Date A.M. P.M.			
Provisional Diagnosis (to be completed within 24 hours after admission) THIS SECTION TO BE COMPLETED BY HOSPITAL PERSONNEL	On admission, patient or qualified person must sign authorization for Medical and/or Surgical Treatment on reverse side.					
Final Diagnosis Secondary Diagnosis or Complications Operation	Code No					

Results ☐ Recovered ☐ Improved ☐ Not Improved ☐ Not Treated ☐ Diagnosis Only Died: ☐ Under 48 hrs ☐ Over 48 hrs

Cause of Death ______________________________ Autopsy ☐ Yes ☐ No

Consultation With ______________________________

	YES	NO		YES	NO
Infection on Admission	☐	☐	Infection on Discharge	☐	☐
Post Operative Infection	☐	☐	Nosocomial Infection	☐	☐

Signed ______________________________ M.D., Attending Physician

CHART COPY

BEST COPY AVAILABLE

Authorization for Medical and/or Surgical Treatment

OPERATION, DIAGNOSTIC PROCEDURE AND ANESTHESIA CONSENT

9256-0320E

PATIENT NAME	AGE

Please **read this entire form carefully** and then, **before** signing it, ask your physician any additional questions you may have

PATIENT / AUTHORIZED PERSON INFORMATION

Your signed consent - **required by law** - and valid until you withdraw it

- acknowledges that you agree with and consent to your physician performing the recommended surgical, medical or diagnostic procedure(s) listed below
- acknowledges that you agree with and consent to your physician performing blood salvaging and reinfusion

During some procedures blood salvaging and reinfusion may be used by your doctor. These techniques decrease the need for blood transfusions from others. Blood salvaging and reinfusion may not completely eliminate the need for blood transfusions

- confirms that your physician has explained to you the procedure(s), the alternatives if any and the inherent risks of each, and the risks or consequences of foregoing all treatment

Some risks known to be associated with surgery and anesthesia and which may be applicable to the procedure(s) are

- Death
- Infection
- Functional or Total Loss of Organ
- Loss of Bowel or Bladder Function
- Functional or Total Loss of Arm or Leg
- Partial or Complete Paralysis Below Neck or Waist
- Impotency
- Blindness
- Perforation of Hollow or Solid Organs
- Brain Damage
- Severe Blood Loss

PATIENT / AUTHORIZED PERSON STATEMENT OF UNDERSTANDING AND CONSENT

I am aware that the practice of medicine and surgery is not an exact science and I acknowledge that **no guarantees** or **warranties** have been made to me concerning the results of the procedure(s). I understand that, even though my physician has advised me of all known risks up to and including the rare but possible severe risks listed above, additional **unforeseeable** and **unpreventable** situations could arise in the course of my care which might result in injury. I further recognize that during the execution of the proposed procedure(s), **unforeseen conditions** may require **different** or **additional** procedures

TATE FULL NAME OF PHYSICIAN OR PHYSICIANS

I hereby authorize Doctor(s): ______________________________

____

and whomever he / she (they) may designate as his / her (their) assistants, to perform the following operation or diagnostic

procedure(s): (**Do Not Abbreviate**) ______________________________

____

I further authorize the physician and his / her assistant(s) to perform any other procedure that in his / her or their judgement is advisable.

The nature and purpose of the operation, diagnostic procedure and medical treatment, possible alternative methods of treatment, the risks involved and the possibility of complications have been fully explained to me

I consent to the disposal of tissues, to photographs of operative parts, and the admission of necessary personnel into the operating room.

I further consent to administration of any necessary anesthesia to be applied by, or under the direction of a recognized anesthesiologist or by the physician responsible for this service and to the use of such anesthetics as he / she may deem advisable.

I hereby state that I have read and understand this consent, and that all my questions about the procedure(s), alternative procedure(s), and risks of each have been answered by my physician in language that I understand and that all blanks were filled in prior to my signature, and inapplicable paragraphs, if any, were stricken before I signed :

DATE	TIME	
WITNESS	PATIENT SIGNATURE	
WITNESS	PERSON AUTHORIZED TO CONSENT FOR PATIENT SIGNATURE	RELATIONSHIP TO PATIENT

REASON PATIENT IS UNABLE TO SIGN / COMMENT

I have explained the procedure(s), alternative(s) and risk(s) to the person(s) who have signed above :

Illiterate or non-English speaking patient - Complete Translation Form No 301-087

PHYSICIAN SIGNATURE

____

WHITE - CHART **CANARY** - PHYSICIAN

BEST COPY AVAILABLE

HEALTH INSURANCE

3

Name ______________________ Score __________

OBJECTIVE 1

Match terms associated with health insurance to their correct definitions. Write the correct letters in the blanks.

A. affiliation
B. coinsurance
C. generic drug
D. policyholder
E. fringe benefits

_____ 1. Payment made to an employee other than wages or salary

_____ 2. Common form of a drug; usually costs less than a similar brand-name drug

_____ 3. System of insurance whereby the insurance company will pay only a percentage of the remainder of the bill after the insured has paid the deductible

_____ 4. Specific connection with an organization

_____ 5. Person who owns the insurance policy

OBJECTIVE 2

Select from a list factors that contribute to rising health care costs. Write an "X" in the blank before each correct answer.

_____ 1. Abuse of insurance

_____ 2. Month in which an illness or accident occurs

_____ 3. Greater demand for health services

_____ 4. Development of medical techniques and procedures

_____ 5. Company from which the policy was purchased

_____ 6. Inflation

OBJECTIVE 3

Evaluated on Assignment Sheet 1.

May be photocopied for student use.

OBJECTIVE 4

Select from a list factors that affect the cost of health insurance. Write an "X" in the blank before each correct answer.

_____ 1. Income of the insured

_____ 2. Medical care cost in the local area

_____ 3. Type of policy

_____ 4. Age of the insured

_____ 5. Whether the insured has living parents

_____ 6. Occupation of the insured

_____ 7. Physical condition of the insured

_____ 8. Education of the insured

_____ 9. Medical history of the insured

_____ 10. Sex of the insured

_____ 11. Type(s) of health insurance selected

OBJECTIVE 5

List general rules for selecting adequate health insurance coverage. List four rules in the blanks.

- ______________________________

  ____
- ______________________________

  ____
- ______________________________

  ____
- ______________________________

  ____

May be photocopied for student use.

OBJECTIVE 6

Match types of government-sponsored health insurance programs to their correct descriptions. Write the correct letters in the blanks.

A. Medicare
B. Medicaid
C. Workers' compensation

_____ 1. Pays the medical expenses for needy people of all ages with state and federal funds

_____ 2. Provides state-funded benefits for employees' injuries or illnesses resulting from their jobs

_____ 3. Provides medical benefits to the aged through the social security system

OBJECTIVE 7

Select from a list features of workers' compensation. Write an "X" in the blank before each correct answer.

_____ 1. Is an optional plan that employees may choose

_____ 2. Covers injury both on and off the job

_____ 3. Covers illness both on and off the job

_____ 4. Pays a percentage of earnings

_____ 5. Pays accidental death benefits

_____ 6. Is in effect in all states

_____ 7. Is provided by an employer

OBJECTIVE 8

Select from a list facts about group and individual health insurance policies. Write an "X" in the blank before each correct answer.

Group

_____ 1. May offer limited coverage; are difficult to tailor to individual needs

_____ 2. Are often available through place of work

_____ 3. Are available only to people with children

_____ 4. Provide coverage at comparatively low costs

May be photocopied for student use.

Individual

_____ 1. Are available only to unmarried persons

_____ 2. Offer protection for those not eligible for membership-type policies

_____ 3. Can be specifically tailored to meet personal needs

_____ 4. Are available only to persons with one or more years of college education

_____ 5. Can provide continued coverage between jobs

OBJECTIVE 9 **Match types of health insurance to their correct descriptions.**

A. Regular medical expense
B. Hospitalization
C. Major medical
D. Accident
E. Surgical
F. Loss of income
G. Dental

_____ 1. Provides payment for medical expenses that result from accidents

_____ 2. Provides benefits to cover some or all of the cost of room, board, and other in-hospital services

_____ 3. Usually covers doctor's fees for nonsurgical care in a hospital, at home, or at the doctor's office

_____ 4. Provides protection against the cost that results from serious accidents or prolonged illness

_____ 5. Usually covers normal dental care, preventive dental care, and tooth damage caused by accidents

_____ 6. Pays all or part of a surgeon's fees for an operation

_____ 7. Pays benefits with regular payments to wage earners when their income is cut off as a result of an illness or accident

OBJECTIVE 10 **Evaluated on Assignment Sheet 2.**

OBJECTIVE 11 **Evaluated on Assignment Sheet 3.**

May be photocopied for student use.

OBJECTIVE 12

List insurance information needed by a hospital to admit a patient. List three types of information in the blanks.

- ______________________________
- ______________________________
- ______________________________

OBJECTIVE 13

Evaluated on Assignment Sheet 4.

OBJECTIVE 14

Describe methods insurance companies use to pay benefits. In the space provided, describe the methods listed below.

- Managed care approach – ______________________________
- Indemnity approach – ______________________________
- Value approach – ______________________________

May be photocopied for student use.

OBJECTIVE 15

List qualifications for a health care professional. State four qualifications in the blanks.

- ____
- ____
- ____
- ____

OBJECTIVE 16

Select from a list questions to ask a doctor which may increase the cost-effectiveness of medical procedures and prescription drugs. Write an "X" in the blank before each correct answer.

Drugs

____ 1. What color are the pills?

____ 2. How much of the drug should be taken?

____ 3. Can a generic drug be substituted?

____ 4. What side effects are caused by the drug?

____ 5. What other products are sold in the pharmacy?

____ 6. Is the drug really necessary?

____ 7. What time of day should the drug be taken and for how many days?

____ 8. What does the drug do?

____ 9. What is in the drug?

____ 10. How much does the drug cost?

Diagnosis and treatment procedures

____ 1. Is the procedure really necessary?

____ 2. Who will my roommate be?

____ 3. What is the purpose of the procedure?

____ 4. What does the procedure involve?

May be photocopied for student use.

_____ 5. How many hospital workers are on each shift?

_____ 6. Can this procedure be done on an out-patient basis, or is hospitalization necessary?

_____ 7. What side effects are caused?

_____ 8. What recuperation period will be needed?

_____ 9. How many people have this treatment?

_____ 10. Will follow-up treatment or additional procedures be necessary?

OBJECTIVE 17

List facts about health maintenance organizations. List three facts in the blanks.

- ____
  ____
- ____
  ____
- ____
  ____

OBJECTIVE 18

List ways the consumer can reduce health care costs. List six ways in the blanks.

- ____
  ____
- ____
  ____
- ____
  ____

May be photocopied for student use.

- ______________________________

  ____

- ______________________________

  ____

- ______________________________

  ____

May be photocopied for student use.

ASSIGNMENT SHEETS

OBJECTIVE 3

Assignment Sheet 1

Evaluated to the satisfaction of the instructor

OBJECTIVE 10

Assignment Sheet 2

1. Loss of income
2. Surgical or hospitalization
3. Workers' compensation
4. Major medical or accident
5. Regular medical expense
6. Dental
7. Medicare
8. Medicaid or individual

OBJECTIVE 11

Assignment Sheet 3

Evaluated to the satisfaction of the instructor

OBJECTIVE 13

Assignment Sheet 4

Evaluated to the satisfaction of the instructor

WRITTEN TEST

OBJECTIVE 1

1. E
2. C
3. B
4. A
5. D

OBJECTIVE 2

1, 3, 4, 6

OBJECTIVE 3

Evaluated on Assignment Sheet 1.

OBJECTIVE 4

2, 3, 4, 6, 7, 9, 10, 11

OBJECTIVE 5

Answer should include all of the following:

- Insure against major medical expenses.
- Consider the advantages of group and individual policies.
- Buy across-the-board coverage.
- Consider policies which provide regular income for the disabled.

OBJECTIVE 6

1. B
2. C
3. A

OBJECTIVE 7

4, 5, 6, 7

OBJECTIVE 8

Group

1, 2, 4

Individual

2, 3, 5

OBJECTIVE 9

1. D
2. B
3. A
4. C
5. G
6. E
7. F

OBJECTIVE 10

Evaluated on Assignment Sheet 2.

OBJECTIVE 11

Evaluated on Assignment Sheet 3.

OBJECTIVE 12

Answer should include any three of the following:

- Name and address of the insurance company
- Policy number
- Policyholder's name
- Claim form

OBJECTIVE 13

Evaluated on Assignment Sheet 4.

OBJECTIVE 14

Description should include all of the following:

- Managed care approach — Insurance company arranges with the health care provider to render services at predetermined date with the insured paying only a small co-payment.
- Indemnity approach — Insurance company reimburses the insured the actual amount of covered losses up to stated policy maximums, usually 80 percent.
- Value approach — Insurance company pays insured a specified amount regardless of the costs incurred.

OBJECTIVE 15

Answer should include any four of the following:

- Graduation from an approved school
- License to practice in your state
- Member of professional societies and associations
- Affiliation with a local hospital
- Good reputation among patients and other professionals

OBJECTIVE 16

Drug

2, 3, 4, 6, 7, 8, 9

Diagnosis and treatment procedures

1, 3, 4, 6, 7, 8, 10

OBJECTIVE 17

Answer should include all of the following:

- Provide health services rather than benefits for medical services
- Are usually provided through an employment group plan
- Are usually paid for by the employer or employee by paying a lump sum or monthly fee

OBJECTIVE 18

Answer should include any six of the following:

- Avoid known health risks.
- Emphasize wellness.
- Utilize free or low-cost health services available to you through your employer or union health programs, community programs, and government programs.
- Comparison shop for insurance to get the coverage which best fits your needs at the lowest price.
- Know exactly what expenses your health insurance covers, and file claims promptly for all covered expenses.
- Minimize hospital costs by requesting out-patient care when appropriate.
- Get a second opinion from another physician or specialist before agreeing to non-emergency surgery.

OBJECTIVE SHEET

LIFE INSURANCE 4

INTRODUCTION

Because it isn't tangible and forces us to face mortality, life insurance is easy to avoid. Unlike auto or health insurance, you can postpone thinking about or purchasing life insurance. For people interested in protecting their family or saving for future expenditures, however, life insurance is a way to lessen future financial distress. This unit covers different types of life insurance policies in which you may become interested once you have established a standard of life you want to protect.

UNIT OBJECTIVE

After completing this unit, you will show the following competencies by mastering the activities on the Assignment Sheets and by scoring at least 85% on the Written Test.

SPECIFIC OBJECTIVES

1. Match terms associated with life insurance to their correct definitions.
2. Evaluate attitudes about life insurance. (Assignment Sheet 1)
3. Select appropriate life insurance coverage. (Assignment Sheet 2)
4. Match forms of term life insurance to their correct descriptions.
5. Match forms of whole life insurance to their correct descriptions.
6. Describe special clauses in life insurance policies.
7. List types of financial protection that affect the need for life insurance coverage.
8. Select from a list guidelines for purchasing and maintaining adequate life insurance coverage.
9. Obtain information from a life insurance policy. (Assignment Sheet 3)
10. Provide information for a life insurance application. (Assignment Sheet 4)
11. Select from a list factors that affect the cost of life insurance.

12. List ways life insurance benefits can be used.

13. Select from a list facts about the cash value of a life insurance policy.

14. Apply information about the cash value of life insurance policies to specific situations. (Assignment Sheet 5)

15. Project future life insurance needs. (Assignment Sheet 6)

SUGGESTED ACTIVITIES

LIFE INSURANCE

4

PREPARATION

- Review the unit and plan your presentation.
- Determine the scope and sequence of objectives you add. Design and develop support materials, including evaluation techniques for additional objectives.
- Review the teaching suggestions, and plan classroom activities.
- Determine how you will schedule time for the students to demonstrate competence in the required procedures.
- Order materials to supplement the unit.
- Order videos.
- Invite guest speakers.

☑ **NOTE:** Please provide the guest speaker with the specific topic relevant to the unit of instruction ahead of time. You may want to supply the Objective Sheet, Information Sheet, and any other components you want the speaker to cover. Confirm the scheduled appearance two to three days prior to the presentation.

DELIVERY

Objective 1: Match terms associated with life insurance to their correct definitions.

- Introduce the unit by asking the students the question, "In financial matters, how would it affect your family if the main breadwinner died?" Have the students list several things they would have to give up if something happened to the breadwinner in their family.
- Emphasize that it is important to have life insurance on the persons who earn income for the home.
- Use Information Sheet, objective 1 to discuss terms related to life insurance.
- Point out to the students that only two basic types of life insurance (term and whole) exist, but each has many forms.

Objective 2: Evaluate attitudes about life insurance. (Assignment Sheet 1)

- Have the students complete Assignment Sheet 1.

- Use the answers to Assignment Sheet 1 as a basis for class discussion.

Objective 3: Select appropriate life insurance coverage. (Assignment Sheet 2)

- Invite an insurance agent to discuss basic life insurance coverages and related information with the class. Provide the agent with a copy of Assignment Sheet 2 before the visit. Allow the students to fill in answers to Assignment Sheet 2 as the discussion progresses.

  ☑ **NOTE:** If questions remain after the agent's visit, assist the students in completing Assignment Sheet 2.

- Or if you prefer not to have a guest speaker, divide the class into groups and assign each group a part of the Assignment Sheet to complete and an insurance agent to contact by phone or in person. Have the students complete Assignment Sheet 2 by sharing information which they gather.

Objective 4: Match forms of term life insurance to their correct descriptions.

- Use Information Sheet, objective 4 to present the forms of term insurance.

Objective 5: Match forms of whole life insurance to their correct descriptions.

- Use Information Sheet, objective 5 to present the forms of permanent insurance.

Objective 6: Describe special clauses in life insurance policies.

- Use Information Sheet, objective 6 to discuss special clauses in life insurance policies.

Objective 7: List types of financial protection that affect the need for life insurance coverage.

- Use Information Sheet, objective 7 to present types of financial protection that affect the need for life insurance coverage.

- Encourage the students to give examples of how each listed item might affect the need for life insurance.

Objective 8: Select from a list guidelines for purchasing and maintaining adequate life insurance coverage.

- Point out the importance of careful consumer comparison of insurance costs/forms with personal needs. Point out that the students should beware of highly advertised policies and of door-to-door salespeople.

- Have the students react to the insurance myth, "Since the price of insurance differs and since states regulate insurance companies, one should always buy the cheapest insurance." Point out that the cheapest may be from a company that is not financially sound.

- Have the students check reports by the A. M. Best Company at the library for ratings of financial soundness of selected insurance companies.

- Point out to the students the consequences of failing to keep the beneficiary up-to-date. How might their beneficiary change during the next five to ten years?

  CASE STUDY: Mary and George were married. Mary bought life insurance on herself and made George the beneficiary. Mary and George were divorced two years later. After the divorce, Mary wanted her parents to have all her money and property in the event something happened to her. Six weeks after the divorce was final, Mary was killed in a plane crash. At the time of the divorce, Mary had forgotten to change the beneficiary on her insurance policy. George received the proceeds from Mary's insurance policy, not her parents as she had intended.

Objective 9: Obtain information from a life insurance policy. (Assignment Sheet 3)

- Have the students complete Assignment Sheet 3.

Objective 10: Provide information for a life insurance application. (Assignment Sheet 4)

- Have the students complete Assignment Sheet 4.

Objective 11: Select from a list factors that affect the cost of life insurance.

- Use Information Sheet, objective 11 to discuss factors that affect the cost of life insurance.

Objective 12: List ways life insurance benefits can be used.

- Use Information Sheet, objective 12 to discuss ways life insurance benefits can be used.

Objective 13: Select from a list facts about the cash value of a life insurance policy.

- Use Information Sheet, objective 13 to discuss facts about the cash value of a life insurance policy.

- Have an insurance agent or company representative discuss how life insurance policies develop cash value and how policyholders can access that cash.

Objective 14: Apply information about the cash value of life insurance policies to specific situations. (Assignment Sheet 5)

- Have the students complete Assignment Sheet 5.

Objective 15: Project future life insurance needs. (Assignment Sheet 6)

- When doing Assignment Sheet 6, have the students play the following game. The goal is to help the students recognize the different types of life insurance and how they fit each person's life situation.

    ☐ Give the students a few minutes to imagine what their lives will be like in ten years and have them do Assignment Sheet 6.

    ☐ Have the students put their Assignment Sheets in a box.

    ☐ Write the forms of life insurance on 3 × 5 cards. Do this twice so that two cards have *term insurance* written on them and two cards have *whole insurance* on them. Shuffle the cards and put them face down on the table.

  - Ask a student to choose an Assignment Sheet from the box and one of the 3 x 5 insurance cards. The student then gives the class a brief summary of the Assignment Sheet and whether the insurance coverage on the card selected would be adequate. Let the other class members agree or disagree, giving reasons for their decision. At this time, emphasize to the students the pitfalls of choosing a life insurance policy without considering each individual's unique needs.
  - Play the game several times, each time with a different student.

- Have each student in the class draw an Assignment Sheet from the box. Acting as a "life insurance agent," the student recommends the kind of insurance that would best suit the situation described on the Assignment Sheet. Have the student write the kind of insurance and reason for recommending the insurance on a separate sheet of paper, sign it, and attach it to the Assignment Sheet.
- Collect the Assignment Sheets and return them to their owners. Have the students further discuss with their "agents" the recommendations for insurance that were made.

EVALUATION

Pretest

- Give the Written Test as a pretest.
- Determine individual study requirements from pretest results.
- Counsel students individually on pretest results and study requirements.
- Modify materials in the unit or create supplementary materials for individual students as required.

Skill Test

- Evaluate students on Assignment Sheet activities if not previously done.
- Reteach and reevaluate if necessary.
- Modify materials in the unit or create supplementary materials for individual students as required.

Written Test

- Explain to students that they will be asked to demonstrate on the Written Test actions listed in the specific objectives.
- Give the Written Test.

  ☑ **NOTE:** The Written Test may be given in sections if desired.
- Reteach and retest if necessary.
- Review individual and group performance in order to evaluate teaching methods. Adjust the scope, sequence, or instructional approaches for additional lessons as required.

SUGGESTED RESOURCES

Print Media

- Abromovitz, Les. *Family Insurance Handbook.* Blue Ridge Summit, PA: Liberty Hall Press, 1990.
- Editors of Consumer Reports Books with Trudy Lieberman. *Life Insurance.* Mount Vernon, NY: Consumers Union, 1988.
- Folk, Karen Fox. *Life Insurance: How Much Do We Need?.* Oklahoma State University Extension Fact Sheet T-4129. Stillwater, OK: Cooperative Extension Service Oklahoma State University, n.d.
- Folk, Karen Fox. *Life Insurance: New Types of Policies.* Oklahoma State University Extension Fact Sheet T-4130. Stillwater, OK: Cooperative Extension Service, Oklahoma State University, n.d.
- Folk, Karen Fox. *Why and How to Buy Life Insurance.* Oklahoma State University Extension Fact Sheet, T-4131. Stillwater, OK: Cooperative Extension Service, Oklahoma State University, n.d.
- Kessinger, Roger A. *Insurance and Alternatives for Uninsurables.* Boise, ID: Kessinger Publishing Company, 1989.
- Maedke, Wilmer O. *Consumer Education.* Blacklick, OH: Glencoe Publishing Company, Inc., 1984.

- Nader, Ralph and Wesley J. Smith. *Winning the Insurance Game.* New York: Doubleday, 1993.

Pamphlets

☑ **NOTE:** The pamphlets below are available from American Council of Life Insurance, 1001 Pennsylvania Ave. NW, Washington, DC 20004-2559.

- *How to Select a Life Insurance Company*, No. 2240500
- *What is Long-Term Care?*, No. 2240385
- *Life Insurance Fact Book*, No. 2430532
- *A Consumer's Guide to Life Insurance*, No. 2240347

INFORMATION SHEET

LIFE INSURANCE

4

OBJECTIVE 1

Match terms associated with life insurance to their correct definitions.

- **beneficiary** — person named in the policy to receive the insurance proceeds at the death of the insured
- **cash value** — accumulated refundable value of an insurance policy that is based on the way premiums are paid; may be used as collateral
- **collateral** – property acceptable as security for a loan or other obligation
- **contingent beneficiary** — person named in the policy to receive the insurance proceeds at the death of the insured if the person named as the beneficiary is no longer living
- **grace period** — time between the date the premium is due and the date that the policy can be canceled for nonpayment
- **incontestable clause** — statement that the insured has a temporary policy for a certain length of time (usually one or two years)

  ☑ **NOTE:** If, during this time, the insurance company finds that the insured lied or made a mistake on the application, the policy will no longer be honored.

- **special clause** — provision for certain added benefits that will increase the cost of the policy

  ☑ **NOTE:** Sometimes the clause is a part of the original policy; cost is included in the basic premium. In other cases, clauses are added to the policy at an extra charge.

- **term insurance** — protection for a certain length of time against loss of life
- **whole life insurance** — lifetime protection for the insured and his or her beneficiaries

OBJECTIVE 2

Complete Assignment Sheet 1.

OBJECTIVE 3

Complete Assignment Sheet 2.

OBJECTIVE 4

Match forms of term life insurance to their correct descriptions.

- **renewable term** — Policies guarantee the insured the right to renew the policy without having a new medical examination; benefits are paid at the death of the insured.

  ☑ **NOTE:** The premium will be higher each time it is renewed since the insured will be older. Renewable policies are usually limited to a certain number of terms and cannot be renewed once the insured is past a certain age. The policy is usually renewed on a one-year, five-year, ten-year, or 20-year basis.

- **convertible term** — Policies have a provision that allows the insured to change the policy from term to permanent insurance.
- **increasing term** — Premiums stay the same during the coverage period, but the amount of coverage gets larger each year.
- **decreasing term** — Premiums stay the same during the coverage period, but the amount of coverage becomes smaller.

  EXAMPLE: Credit life, mortgage

- **straight term** — The amount of protection stays the same during the entire time the policy is in effect; the amount of the premium may vary from term to term.

OBJECTIVE 5

Match forms of whole life insurance to their correct descriptions.

- **straight** — combination of a decreasing amount of protection with an increasing amount of savings within the policy

  ☑ **NOTE:** Straight life is sometimes called *permanent, ordinary,* or *cash value life.*

- **limited payment** — protection for life, but policyholders pay premiums only for a certain number of years

  ☞ **NOTE:** Policies are often named by the number of years the policyholder pays premiums. A 20-payment policy requires payments for 20 years.

- **endowment** — combination of temporary insurance and savings with emphasis on savings; savings can be built up in a fixed number of years

  ☞ **NOTE:** Premiums are paid for a certain number of years (usually 20 or 30 years) or to a certain age. Premiums are higher for endowment insurance than for the other basic types of life insurance.

OBJECTIVE 6 **Describe special clauses in life insurance policies.**

- **premium waiver** — The insured person does not have to pay the premium while he or she is totally disabled.

- **double indemnity** — The beneficiary receives double the face value of the policy if the insured dies accidentally.

- **automatic premium loan** — The company automatically pays premiums from the values in the policy if the insured misses paying.

  ☞ **NOTE:** Some companies offer a policy in which the premium will be deducted from earned interest when the premium is not received on time.

OBJECTIVE 7 **List types of financial protection that affect the need for life insurance coverage.**

☞ **NOTE:** The types of financial protection that affect the need for life insurance should be reviewed periodically.

- Social security

- Workers' compensation

- Union and/or employer's benefits

- Veteran's benefits

- Job retirement
- Savings and investments

OBJECTIVE 8

Select from a list guidelines for purchasing and maintaining adequate life insurance coverage.

- Compare insurance policies.
- Read your insurance policies carefully to understand their provisions.
- Keep the policy in a safe place.

  ☑ **NOTE:** Let your beneficiaries know where your policies are located. Your beneficiaries must give the policy and death certificate to the insurance company before collecting on the insurance.

- Keep the insurance company informed of your address.
- Discuss your insurance with your family and other beneficiaries.
- Review your insurance program periodically.
- Evaluate your personal needs for insurance to determine the amount of insurance needed.

  EXAMPLE: Consider the number and ages of dependents, standard of living the dependents want to maintain if insured dies, amount of other financial resources family has to use, current income, and future earnings.

OBJECTIVE 9

Complete Assignment Sheet 3.

OBJECTIVE 10

Complete Assignment Sheet 4.

OBJECTIVE 11

Select from a list factors that affect the cost of life insurance.

- Kind of life insurance needed

- Age of the insured

  ☑ **NOTE:** Generally, the younger a person is, the less he or she will pay for insurance coverage.

- Amount of claims paid

  ☑ **NOTE:** Insurance companies set base rates from estimates of what they will have to pay out on claims or policies.

- Operating expenses

  ☑ **NOTE:** The costs of operating the insurance companies, plus a profit for owners of the company, are considered in arriving at premiums.

- Reserve fund

  ☑ **NOTE:** Each insurance company sets aside a reserve fund for meeting emergency situations such as heavy future claims.

- Health of the insured

- Company from which the insurance is bought

  ☑ **NOTE:** Different companies charge different premiums for the same coverage.

- Occupation of the insured

  ☑ **NOTE:** Your occupation and its hazards can affect the cost of life insurance for you. Nine out of ten people, however, have occupations that let them pay standard rates.

- Results of blood tests

  ☑ **NOTE:** Some companies lower their life insurance rates to those who will submit to blood tests for the AIDS virus. Other companies require blood tests of those who take out insurance policies of $100,000 or more.

OBJECTIVE 12

List ways life insurance benefits can be used.

☑ **NOTE:** Few, if any, life insurance policies will offer all these benefits.

- Pay the final expenses and debts of the policyholder
- Replace some or all of the income a family would lose
- Pay for a housekeeper if the homemaker dies
- Pay a certain amount of money to a policyholder at a certain age
- Guarantee retirement income
- Build a fund to use as income or for loans in emergencies while continuing to protect dependents
- Provide for education
- Provide savings

OBJECTIVE 13

Select from a list facts about the cash value of a life insurance policy.

- Cash value can be used as collateral while the original policy remains in force.

  ☑ **NOTE:** If the insured dies before the loan is repaid, the money is subtracted from the death benefit payable to the beneficiary.

- If premium payments are stopped, the cash value can be used to buy a policy for a smaller amount (reduced paid-up life insurance).

  ☑ **NOTE:** The policy is changed to a lower face value. There are no more payments made for premiums. If you bought a whole-life policy at age 35, at age 65 you can change it to a paid-up policy; but the face value will be about 70 percent of the original. Your beneficiary will receive this smaller amount upon your death.

- If the premium payments are stopped, the cash value can be used to buy a fully-paid term policy for a certain number of years and days (extended term insurance).

  ☑ **NOTE:** You keep the same amount of protection, the face value of the policy, for a limited period of time. At the end of this time, the insurance policy will end and all protection stops.

- If the premium payments are stopped, the policyholder can receive the cash value as a lump sum payment.

- If the premium payments are stopped, the policyholder can receive the cash value through an income plan.

  ☑ **NOTE:** The cash value is left with the insurance company, and a plan is devised as to how the insured is to receive the cash value.

  EXAMPLE: Cash payments could be made to the insured each month.

OBJECTIVE 14 **Complete Assignment Sheet 5.**

OBJECTIVE 15 **Complete Assignment Sheet 6.**

ASSIGNMENT SHEET 1

LIFE INSURANCE

4

Name ______________________________ Score __________

OBJECTIVE 2

Evaluate attitudes about life insurance.

INTRODUCTION

This might be the first time that you have really thought about life insurance. It might help to know that life insurance is simply a system of planning for financial security.

INSTRUCTIONS

Agree or disagree with the following statements about life insurance. Give a reason for each answer.

Reading Comprehension
- Draw conclusions
- React to written material

Language
- Use standard grammar, spelling, and capitalization
- State ideas clearly

1. Life insurance is unnecessary because it helps only the beneficiary, not the person who worked to pay for it.

Do you agree or disagree? ______________________________

Reason ______________________________

____

____

____

2. It makes little sense to purchase life insurance when you are young, single, and healthy. The time to buy insurance is when you grow older and have big responsibilities.

Do you agree or disagree? ______________________________

Reason ______________________________

____

____

____

3. Women do not need life insurance.

Do you agree or disagree? ______________________

Reason ______________________

____

____

____

4. People who do not smoke or drink alcoholic beverages should pay less for life insurance than people who do smoke or drink alcoholic beverages.

Do you agree or disagree? ______________________

Reason ______________________

____

____

____

5. Auto racers, mountain climbers, and parachute testers should be charged the same rate for life insurance as everyone else.

Do you agree or disagree? ______________________

Reason ______________________

____

____

____

ASSIGNMENT SHEET 2

LIFE INSURANCE

4

Name ______________________________ Score __________

OBJECTIVE 3

Select appropriate life insurance coverage.

INTRODUCTION

Since premiums, policies, terms, and companies vary, it is advisable to "shop around" before selecting your agency and policies.

INSTRUCTIONS

Language
- Use standard grammar, spelling, and capitalization
- State ideas clearly

Research
- Take notes

Listening
- Apply active listening skills

Interactive Communications
- Apply questioning techniques

Part I

Interview an insurance agent. Use the questions listed below as guidelines. Feel free to add your own questions. The insurance agent may be a guest speaker in the classroom or someone you interview for a homework assignment.

Part II

After completing the interview, describe briefly in the space provided at the end of the Assignment Sheet the kinds of insurance policies you want to meet your personal needs now. What options do you find desirable?

GENERAL QUESTIONS:

1. What is an *annuity*?

2. Can one insurance plan be exchanged for another insurance plan if the policy holder desires?

3. What does a person have to do to show that she or he is insurable?

4. How do you figure how much coverage is enough?

5. Are provisions made to pay insurance premiums if a person becomes totally and permanently disabled?

6. What is *endowment life insurance*?

7. What does *face amount* mean?

8. What is a *mortality table*?

9. What is a *settlement option*?

10. What is *actual cash value*?

11. Is a person covered by a policy as soon as application is made, or is a waiting period required before the policy takes effect?

12. Is insurance a gamble?

13. Is it illegal for an agent to give a rebate to a policyholder from the agent's commission?

14. Does *underwriting* mean that the insurance company is determining whether or not a person is a good risk?

15. Is a *rider* a part of an insurance policy?

16. What does *grace period* mean?

17. Can an insurance company cancel a person's insurance after premiums have been paid for several years?

18. What is the role of the State Insurance Commission?

LIFE INSURANCE:

1. What is *limited-payment whole life insurance?*

2. What is *nonparticipating life insurance?*

3. What is *participating life insurance?*

4. What is the difference in *term* and *whole* life insurance?

5. Do the terms *permanent life insurance, cash value life insurance, whole life insurance, straight-term life insurance,* and *ordinary life insurance* all mean the same thing? How do they differ?

6. What is the difference in straight and decreasing term insurance?

7. Which is the more expensive, term or whole life insurance?

8. Does term life insurance have any cash value?

9. Is term life insurance payable only at death?

10. Is term life insurance a contract only for a stated period of time?

11. Can straight-term life insurance be renewed at the end of the contract if no changes have been made in health?

12. Is it generally more expensive to renew straight-term life insurance than other forms?

13. Do premiums and the face amount remain the same during the contract for straight-term life insurance? For decreasing life insurance?

14. What would be a situation in which a person would want decreasing term life insurance rather than straight-term life insurance?

15. What are some optional features which may be added to life insurance if a person qualifies?

16. What is *waiver of premium*?

17. What is *double indemnity*?

18. What is *loan value*?

19. Can insurance premiums be paid up for a certain period of time? Permanently?

20. Is life insurance a way to save money?

21. What is the interest rate if you borrow on a life insurance policy?

22. Does borrowing from a policy decrease the face value by the amount borrowed plus the interest?

23. What are the ages at which a policyholder can purchase additional life insurance?

24. What does a person have to do to include his or her spouse on the insurance policy if he or she were not married when the policy was first taken out? What about the birth or adoption of children?

25. If a person has the option of having premiums paid upon disability, do those premiums ever have to be repaid?

26. Is a person covered in case of war?

27. Is a person covered in case of suicide?

28. Does an insurance company have the right to perform an autopsy?

LIFE INSURANCE POLICY:

The type of life insurance that I feel would meet my needs is

____

because ______________________________________

____

____

____

____

____

The cost ranges from $__________ to $__________

ASSIGNMENT SHEET 3

LIFE INSURANCE

Name ______________________________ Score __________

OBJECTIVE 9

Obtain information from a life insurance policy.

INTRODUCTION

Life insurance plays an important role in the financial security of most families. In fact, seven out of eight American families today have life insurance. Families see it as protection that guarantees dollars to replace income if something happens to the major wage earner. Also, they look upon their life insurance as one of the financial tools they use to help reach family goals.

INSTRUCTIONS

Reading Comprehension
- Gain factual information
- Draw conclusions
- React to written material

Functional Reading
- Interpret forms and records

Language
- Use standard grammar, spelling, and capitalization
- State ideas clearly

Obtain information about your family's life insurance policy by answering the following questions. If your family does not have an insurance policy, interview a friend or relative who has a life insurance policy.

1. Where is your family's life insurance policy kept?

____

____

2. What is the name and address of your family's life insurance agent?

____

____

3. What is the amount of the premium for each policy and the date it is due?

____

____

4. What could happen if a premium were not paid when it is due?

____

____

5. Who is the named beneficiary in each policy?

____

____

____

____

6. Does each policy name a contingent beneficiary?

____

7. What is the present cash value in the life insurance policy?

____

8. Do you have loans against your life insurance policy?

____

9. Does a grace period exist for the payment of the premium?

_____ If so, what is it? ______________________________

____

10. What is your family's attitude about life insurance?

____

____

____

____

____

____

____

ASSIGNMENT SHEET 4

LIFE INSURANCE

4

Name ______________________ Score __________

OBJECTIVE 10

Provide information for a life insurance application.

INTRODUCTION

When you buy life insurance, you will be asked to complete an application form. The application form is used to determine whether you qualify for the insurance coverage and to help identify you to the insurance company.

The applicant will be asked to give general information such as name, address, age, marital status, occupation, and social security number. Also the primary beneficiary and the contingent beneficiary must be listed.

The primary beneficiary is the person named in the policy to receive the proceeds at the death of the insured. The contingent beneficiary is the person to receive benefits if the primary beneficiary is no longer living. It is very important to keep the beneficiary up-to-date so that the proceeds from the insurance policy will go to the person whom you want to receive it.

INSTRUCTIONS

Complete the following life insurance application.

☑ **NOTE:** Do not write in the section "Home Office Additions or Corrections".

Functional Reading
- Follow written instructions

Language
- Use standard grammar, spelling, and capitalization
- State ideas clearly

Functional Writing
- Complete forms and records

Life Insurance Application

The information in the Application is to be furnished by the Applicant

1. Name of Applicant - Proposed Insured - Please Print	2. Date and State of Birth	3. Age

4. Owner of Policy, if other than applicant - proposed insured. Name and relationship to applicant.	5. Amount of Insurance

6. a. Height b. Weight c. Sex d. Marital Status

7. Address of Applicant: ____________________

Street ____________________ City ____________________

County ______________ State ______________ Zip Code __________

8. Occupation ____________________ Employer ____________________

9. Beneficiary: Give full name, relationship, and date of birth.

First ____________________

Second ____________________

Is right to change Beneficiary reserved to the Owner? ☐ Yes ☐ No

10. Family Physician: ____________________

Name ____________________ Address ____________________

11. Will proposed insurance replace any existing policy? Yes ☐ No ☐

Mode of Payment: Total Premium $ ____________

A ( ) Plan: ____________________

SA ( ) Additional Benefits: ____________________

Q ( ) ____________________

M ( ) ____________________

Is Automatic Loan Provision desired: Yes ( ) No ( )

Dividend Option desired if Participating Policy:

Reduce Prem. ( ) Cash ( ) Accumulate ( )

Pd. Up Ins. ( )

Policy owner's social security no. ____________________

Answer the following questions by checking one box only and give the details together with the name of the Proposed Insured in the space below:

	Yes	No
A. Are you free from disease and in sound health?		
B. Have you: 1. Ever been declined or rated for the issuance of life, accident, or health insurance?		
2. Ever had: (a) disease of the heart, paralysis, or high blood pressure?		

	Yes	No
(b) disease of the lungs or tuberculosis?		
(c) disease of the kidneys?		
(d) disease of the stomach or other vital organs?		
(e) cancer or diabetes?		
(f) mental or nervous trouble?		
3. Consulted a physician or received hospital or sanitarium observation or care during the past 5 years?		

Name	Nature of Illness or Accident	Date From	Date To	Attending Physician & Address

HOME OFFICE ADDITIONS OR CORRECTIONS — DO NOT WRITE IN THIS SPACE

AGREEMENT

I hereby declare that all the statements and answers to the above questions are complete and true to the best of my knowledge and belief; that before signing I read each and all of said questions and answers and I agree that this application shall be attached to and from a part of the contract of insurance for which I have applied. I further agree that the insurance applied for shall not take effect until this application has been approved by the company at its home office and the first premium has been paid in full nor until the policy is issued and actually delivered to the applicant during the lifetime of the Proposed Insured(s) while each of them are in the same health condition as described in the application.

AUTHORIZATION AND ACKNOWLEDGEMENT STATEMENT

I hereby authorize any licensed physician, medical practitioner, hospital, clinic, or other medical or medically related facility, insurance company, the Medical Information Bureau, or other organization, institution, or person, that has any records or knowledge of me or my health, to give to the Gibson National Life Insurance Company or its reinsurers any such information. I also acknowledge receipt of the NOTICE TO APPLICANT. A photographic copy of this authorization and acknowledgement shall be as valid as the original.

Dated at ______________, this _____ day of ________________, 19______ Signature ____________________
(Owner - Applicant)

FOR AGENT'S SIGNATURE

Is proposed insurance intended to replace any existing policy? Yes ( ) No ( )

Name of Company ____________________

Writing Agent ____________________

ASSIGNMENT SHEET 5

LIFE INSURANCE

Name ______________________________ Score __________

OBJECTIVE 14

Apply information about the cash value of life insurance policies to specific situations.

INTRODUCTION

You might suppose that most benefit payments of life insurance policies go to the survivors or beneficiaries. This is not entirely true. A large percentage of payments goes to living policyholders. The living values of life insurance can be very important in preserving the special financial plans of the insured person.

INSTRUCTIONS

Reading Comprehension
- Draw conclusions
- React to written material

Cognitive Activities
- Evaluate alternatives
- Transfer knowledge/training to new situations

Solve the following life insurance problems. Fill in the blanks with the letter of the appropriate solution.

Solutions

A. For a small additional cost, you can ensure that you will not have to pay the premium on your insurance if you become disabled for six months or longer.

B. Insurance policies may have a cash value that you can borrow at a reasonable interest rate.

C. If later in life you have no major financial responsibilities and want money for things you need, you can surrender or cash your insurance policy and put it into a savings account.

D. Almost every straight life policy begins to build a cash value after the first year or two. You can turn that cash value into a paid-up policy. The amount of the policy will be less than the original, but it will still offer protection.

Life Insurance Problems

1. __________ Chris Velasquez, 43

I lost my job and cannot afford premiums of $795 on my straight life policy. I have paid premiums for 20 years. What can I do now? My family still needs protection.

2. _________ Mosham Ashid, 47

If I had $30,000, I could buy a new tractor and double my business. Where could I borrow that kind of money at a reasonable interest rate?

☑ **NOTE:** Someone who purchases large pieces of equipment that are financed can also buy credit life insurance to protect both buyer and seller.

3. _________ Shelia Morrison, 67

My husband and I are retired. We have an income from our pension plans and social security. We have paid premiums on a straight life policy for 36 years. Now that the children are self-supporting and we have more insurance than we think we need, I wonder if that old policy is worth anything? Maybe we should put the money into a savings account since it will give us a regular, fixed monthly income payment.

4. _________ Edith Jones, 27

If I'm working, I can pay the premiums on my new policy. What if I get sick and cannot work? How will I pay the premium?

ASSIGNMENT SHEET 6 — LIFE INSURANCE

Name ______________________________ Score __________

OBJECTIVE 15 **Project future life insurance needs.**

INTRODUCTION

When choosing the type and amount of life insurance necessary to assure continued financial security for yourself and family, be sure to consider both your family's total obligations and the income needed if the breadwinner should die. Include any other income the survivors could ordinarily expect to receive, such as social security, employment benefits, and investment returns.

INSTRUCTIONS

Determine your life insurance needs by completing the following questionnaire. Allow your imagination to transport you ten years into the future, and answer the questions as you think your situation will be ten years from now.

Language
- Use standard grammar, spelling, and capitalization
- State ideas clearly

Functional Writing
- Complete forms and records

Cognitive Activities
- Identify/develop alternatives
- Select an alternative
- Transfer knowledge/training to new situations

NAME ____

ADDRESS ____

MARITAL STATUS ___single ___married ___widowed

___separated ___divorced

OCCUPATION ______________________________________

Is occupation considered hazardous? ____yes ____no

Spouse's occupation _______________________________

CHILDREN'S NAMES AND AGES ________________________

____

____

FAMILY FINANCES

Income Range:

____ 0 - $30,000	____ $50,000 - $60,000
____ $30,000 - $40,000	____ $60,000 - $70,000
____ $40,000 - $50,000	____ over $70,000

What additional financial assets do you have such as rental property or savings accounts?

____

____

Do you have outstanding debts? ____yes ____no

If you do, what are they and how much? ____________

____

____

____

HOUSING

____own home $______________amount of mortgage

____rent $______________amount of rent per month

MEDICAL PROBLEMS (please specify)

____

____

____

Choose one type of insurance that would suit your needs ten years from now; give reasons for your choice.

Type of insurance chosen ____________________

Reason ____________________________

____

____

WRITTEN TEST

LIFE INSURANCE

4

Name ______________________________ Score __________

OBJECTIVE 1

Match terms associated with life insurance to their correct definitions. Write the correct letters in the blanks.

A. incontestable clause
B. grace period
C. term insurance
D. contingent beneficiary

E. special clause
F. cash value
G. collateral
H. whole life insurance
I. beneficiary

_____ 1. Time between the date the premium is due and the date that the policy can be canceled for nonpayment

_____ 2. Accumulated refundable value of an insurance policy that is based on the way premiums are paid; may be used as collateral

_____ 3. Provision for certain added benefits that will increase the cost of the policy

_____ 4. Statement that the insured has a temporary policy for a certain length of time (usually one or two years)

_____ 5. Lifetime protection for the insured and his or her beneficiaries

_____ 6. Property acceptable as security for a loan or other obligation

_____ 7. Person named in the policy to receive the insurance proceeds at the death of the insured if the person named as the beneficiary is no longer living

_____ 8. Person named in the policy to receive the insurance proceeds at the death of the insured

_____ 9. Protection for a certain length of time against loss of life

OBJECTIVE 2

Evaluated on Assignment Sheet 1.

May be photocopied for student use.

OBJECTIVE 3 **Evaluated on Assignment Sheet 2.**

OBJECTIVE 4 **Match forms of term life insurance to their correct descriptions.** Write the correct letters in the blanks.

A. convertible term
B. decreasing term
C. renewable term
D. straight term
E. increasing term

_____ 1. Policies guarantee the insured the right to renew the policy without having a new medical examination; benefits are paid at the death of the insured.

_____ 2. Premiums stay the same during the coverage period, but the amount of coverage gets larger each year.

_____ 3. The amount of protection stays the same during the entire time the policy is in effect; the amount of the premium may vary from term to term.

_____ 4. Premiums stay the same during the coverage period, but the amount of coverage becomes smaller.

_____ 5. Policies have a provision that allows the insured to change the policy from term to permanent insurance.

OBJECTIVE 5 **Match forms of whole life insurance to their correct descriptions.** Write the correct letters in the blanks.

A. Limited payment
B. Endowment
C. Straight

_____ 1. Protection for life, but policyholders pay premiums only for a certain number of years

_____ 2. Combination of a decreasing amount of protection with an increasing amount of savings within the policy

_____ 3. Combination of temporary insurance and savings with emphasis on savings; savings can be built up in a fixed number of years

May be photocopied for student use.

OBJECTIVE 6

Describe special clauses in life insurance policies.

- automatic premium loan – ______________________
- double indemnity – ______________________
- premium waiver – ______________________

OBJECTIVE 7

List types of financial protection that affect the need for life insurance coverage. List five types in the blanks.

- ______________________
- ______________________
- ______________________
- ______________________
- ______________________

May be photocopied for student use.

OBJECTIVE 8

Select from a list guidelines for purchasing and maintaining adequate life insurance coverage. Write an "X" in the blank before each correct answer.

_____ 1. Keep the policy in a safe place.

_____ 2. Evaluate your personal needs for insurance to determine the amount of insurance needed.

_____ 3. Arrange for a contingent beneficiary only after the age of 55.

_____ 4. Compare insurance policies.

_____ 5. Keep the policy hidden and away from other people.

_____ 6. Keep the insurance company informed of your address.

_____ 7. Discuss your insurance with your family and other beneficiaries.

_____ 8. Provide life insurance only for the primary breadwinner.

_____ 9. Review your insurance program periodically.

_____ 10. Read your insurance policies carefully to understand their provisions.

OBJECTIVE 9

Evaluated on Assignment Sheet 3.

OBJECTIVE 10

Evaluated on Assignment Sheet 4.

OBJECTIVE 11

Select from a list factors that affect the cost of life insurance. Write an "X" in the blank before each correct answer.

_____ 1. Membership in civic clubs

_____ 2. Occupation of the insured

_____ 3. Reserve fund

_____ 4. Ancestry

_____ 5. Amount of claims paid

May be photocopied for student use.

____ 6. Operating expenses

____ 7. Age of the insured

____ 8. Wealth of the community

____ 9. Health of the insured

____ 10. Company from which the insurance is bought

____ 11. Occupation of the insured's spouse

____ 12. Kind of life insurance needed

____ 13. Results of blood tests

OBJECTIVE 12

List ways life insurance benefits can be used. List five in the blanks.

- ____________________
- ____________________
- ____________________
- ____________________
- ____________________

OBJECTIVE 13

Select from a list facts about the cash value of a life insurance policy. Write an "X" in the blank before each correct answer.

____ 1. Cash value can be used as collateral while the original policy remains in force.

____ 2. Cash value has no value until the policyholder dies.

____ 3. If premium payments are stopped, the cash value can be used to buy a policy for a smaller amount.

____ 4. Cash value can be used as collateral while the original policy remains in force.

____ 5. Cash value can only be used to pay the funeral expenses of the policyholder.

May be photocopied for student use.

OBJECTIVE 14 **Evaluated on Assignment Sheet 5.**

OBJECTIVE 15 **Evaluated on Assignment Sheet 6.**

May be photocopied for student use.

ASSIGNMENT SHEETS

OBJECTIVE 2

Assignment Sheet 1

Evaluated to the satisfaction of the instructor

OBJECTIVE 3

Assignment Sheet 2

Answers will be similar to the following:

GENERAL QUESTIONS

1. An *annuity* is a type of investment sold by life insurance that systematically pays out benefits, usually over an extended period of time. Annuities are used as a supplemental source of income by people in retirement.

2. Yes, many companies have contracts which permit the insured to switch from one policy form to another. A convertible-term policy, for example, allows the insured to covert coverage into a whole life or an endowment life policy.

3. Insurability varies with insurance companies. Once the applicant has fulfilled the requirements (for example, medical examination), the insurance company has one to two years to contest the information supplied by the insured.

4. Three ways are used to determine the amount of coverage needed. *Human life value approach* attempts to convert the future earnings of an individual to a present value. This approximates the economic value of an individual in order to determine how much she or he is worth. *Multiple earnings approach* determines coverage needed by multiplying one's gross annual earnings by an arbitrarily selected number (for example, 3, 5, or 10). Neither of these approaches figures in a person's financial obligations or resources. Both are, at best, approximations. *Needs approach* considers a person's available financial resources as well as financial obligations. By adding resources to predicted earnings and subtracting current and predicted obligations, needed coverage is determined.

5. A disability clause may be purchased with a whole-life insurance policy, usually not with term. A *waiver of premium benefit* excuses the payment of premiums if the insured becomes totally and permanently disabled prior to age 60 or 65. Under the *disability income portion*, the insured is entitled to a monthly income equal to $5 or $10 per $1,000 of policy face value. Some insurers will continue these payments for the life of the insured; others will terminate them at age 65.

6. *Endowment life insurance* offers protection for a stated period of time, after which it may be redeemed for face value if the insured has not died.

7. The *face amount* is the death benefit on the first page of the policy; the amount which will be paid the beneficiary providing all conditions of the policy have been met.

8. A *mortality table* is a table of benefits used at the time of death to determine the amount of insurance due the beneficiary.

9. A *settlement option* is a way of paying the death proceeds from a life insurance policy; examples are lump-sum cash payment, payments for a stated period, payments of a stated amount, or income for life.

10. *Actual cash value* is a value assigned to an insured property; it is determined by subtracting depreciation from replacement cost.

11. The insurance contract is in effect for the dates stated in the policy.

12. Insurance permits you to reduce your financial risks and share your losses. If you never risk and never lose, you may consider insurance unnecessary.

13. Yes. By law, the agent cannot pay a prospective policyholder to enter into an insurance contract.

14. *Underwriting* is the process the insurance company goes through in deciding whom it can insure and the applicable rates.

15. A *rider* is an amendment attached which expands or decreases coverage or changes, excludes, or expands certain conditions.

16. The *grace period* is a short time (usually 31 days) of protection after the policyholder has failed to remit a premium which is due.

17. Yes, policies may be canceled. Conditions for cancellation vary with insurance companies. Ask your agent if you have questions.

18. The role of the State Insurance Commission is to regulate insurance companies, license agents, and see that all entities comply with state and federal laws.

LIFE INSURANCE

1. *Limited-payment whole life insurance* offers coverage the entire life of the insured but schedules the payments to end after a limited period. For example, under 20-pay life contracts, the policyholder is required to make 20 annual premium payments; upon completion of payments, the insurance remains in force at its face value for the remainder of the insured's life.

2. In *nonparticipating life insurance* no dividends are paid to the insured; premiums paid do not earn interest.

3. In *participating life insurance* dividends are paid to the insured; premiums paid earn interest.

4. *Term life insurance* provides only death benefits for a specified period and does not accumulate cash value; *whole life insurance* provides protection for the whole life of the insured and accumulates cash value.

5. All five terms refer to the same coverage.

6. Straight term policies are written for a given number of years (for example, 1, 5, 10, or 20) with premiums that may increase each year or may stay the same, or level, throughout the term. Decreasing term policies maintain the same premium each year of the term with decreasing death benefits each year.

7. Whole life insurance is more expensive than term because it builds an estate whether or not the insured dies. Both have advantages and disadvantages that should be studied carefully before purchasing insurance.

8. No investment benefits accompany term insurance; it has no cash value.

9. Yes, the death benefit is the only payment made by term insurance.

10. Yes, a term-life insurance policy is usually for 5 years but may be written for any term from 1 to 20 years.

11. Yes, straight-term life insurance policies can be renewed until the age of 65 or 70.

12. Renewing straight term insurance may not be more expensive; in fact, premiums could remain the same. Many variables, such as inflation, affect premium amounts.

13. For straight term policies the coverage remains unchanged for the term; the premium may change. For decreasing term policies the coverage decreases; the premium remains the same.

14. A decreasing-term policy might be purchased by a parent when children are young in order to provide sufficient family income until they reach maturity. As the children age, the amount of coverage the family needs will decrease until the last child becomes independent.

15. Many options may be purchased as additions to life insurance. Among them are multiple indemnity clause (doubles or triples the policy's face amount in event of the insured's accidental death), disability clause (contains a waiver of premium and/or disability income), insurability clause (allows policyholder to purchase additional coverage at stipulated intervals even if he or she becomes uninsurable).

16. *Waiver of premium benefit* excuses the payment of premiums on the life insurance policy if the insured becomes totally and permanently disabled prior to age 60 or 65.

17. *Double indemnity clause* doubles the policy's face amount in the event of the insured's accidental death.

18. *Loan value* means the same as *cash value*, the accumulated refundable value of an insurance policy based on the way in which premiums are paid; it can be used as a source of loan collateral.

19. Yes, premiums can be paid by for a certain time or permanently.

20. Yes. The death benefits of whole life insurance is a form of savings; the cash value acts as collateral in lieu of savings.

21. Interest rates vary. Call your agent.

22. Borrowing from the premiums you have paid on a whole life insurance policy decreases from the cash value (same as loan value). Should you die before repaying the borrowed amount, the face value would reflect the loan deducted.

23. Ages and intervals at which additional coverage may be purchased are determined by insurance companies but are usually in broad bands, such as ages 18 to 25 up to age 70.

24. The insured must list any and all beneficiaries, including spouses. Birthdates and social security numbers may also be needed.

25. No. This is a condition for which the policyholder paid; some insurers will continue payment for the life time of the insured.

26. Life insurance policies may exclude aviation and war. Such exclusions are used when the insured is a relatively inexperienced pilot or flying in the military and/or in anticipation of combat.

27. Nearly all life insurance policies have a suicide clause that voids the contract if the insured commits suicide within two years (sometimes one) after its inception.

28. Yes, insurance companies have the legal right to request an autopsy. This occurs in cases of suspected suicide.

OBJECTIVE 9

Assignment Sheet 3

Evaluated to the satisfaction of the instructor

OBJECTIVE 10

Assignment Sheet 4

Evaluated to the satisfaction of the instructor

OBJECTIVE 14

Assignment Sheet 5

1. D
2. B
3. C
4. A

OBJECTIVE 15

Assignment Sheet 6

Evaluated to the satisfaction of the instructor

WRITTEN TEST

OBJECTIVE 1

1. B
2. F
3. E
4. A
5. H
6. G
7. D
8. I
9. C

OBJECTIVE 2

Evaluated on Assignment Sheet 1.

OBJECTIVE 3

Evaluated on Assignment Sheet 2.

OBJECTIVE 4

1. C
2. E
3. D
4. B
5. A

OBJECTIVE 5

1. A
2. C
3. B

OBJECTIVE 6

Answer should include all of the following:

- **automatic premium loan** — The company automatically pays the premiums from the values in the policy if the insured misses paying.

- **double indemnity** — The beneficiary receives double the face value of the policy if the insured dies accidentally.

- **premium waiver** — The insured person does not have to pay the premium while he or she is totally disabled.

OBJECTIVE 7

Answer should include any five of the following:

- Social security
- Workers' compensation
- Union and/or employer's benefits
- Veteran's benefits
- Job retirement
- Savings and investments

OBJECTIVE 8

1, 2, 4, 6, 7, 9, 10

OBJECTIVE 9

Evaluated on Assignment Sheet 3.

OBJECTIVE 10

Evaluated on Assignment Sheet 4.

OBJECTIVE 11

2, 3, 5, 6, 7, 9, 10, 12, 13

OBJECTIVE 12

Answer should include any five of the following:

- Pay the final expenses and debts of the policyholder
- Replace some or all of the income a family would lose
- Pay for a housekeeper if the homemaker dies
- Pay a certain amount of money to a policyholder at a certain age
- Guarantee retirement income
- Build a fund to use as income or for loans in emergencies while continuing to protect dependents
- Provide for education
- Provide savings

OBJECTIVE 13	1, 3, 4
OBJECTIVE 14	**Evaluated on Assignment Sheet 5.**
OBJECTIVE 15	**Evaluated on Assignment Sheet 6.**

OBJECTIVE SHEET

PROPERTY INSURANCE

5

INTRODUCTION

Because you own assets, you are exposed to a variety of losses that could result in financial disaster. If a severe storm destroyed your house, could you replace it? If you were to kill someone in a car accident, could you protect your negligence financially? Most people do not have the financial resources to protect their assets. The effective use of property and liability insurance rests on understanding what types of losses you are exposed to and how to best cover them. This unit introduces several concepts regarding property and liability insurance.

UNIT OBJECTIVE

After completing this unit, you will show the following competencies by mastering the activities on the Assignment Sheets and by scoring at least 85% on the Written Test.

SPECIFIC OBJECTIVES

1. Match terms associated with real and personal property insurance to their correct definitions.
2. Assess attitudes about property insurance. (Assignment Sheet 1)
3. List items for which property owners should carry insurance.
4. List types of property insurance coverage.
5. Select from a list characteristics of package policies.
6. Match types of liability insurance to their descriptions.
7. Match parts of a property insurance policy to their descriptions.
8. Obtain information from a property insurance policy. (Assignment Sheet 2)
9. Select from a list factors that determine the cost of property insurance.
10. Select appropriate property insurance coverage. (Assignment Sheet 3)
11. List purposes of having a household inventory.

12. Select from a list guidelines for making a household inventory.

13. Make a household inventory. (Assignment Sheet 4)

PROPERTY INSURANCE

PREPARATION

- Review the unit and plan your presentation.
- Determine the scope and sequence of objectives you add. Design and develop support materials, including evaluation techniques for additional objectives.
- Review the teaching suggestions, and plan classroom activities.
- Determine how you will schedule time for the students to demonstrate competence in the required procedures.
- Order materials to supplement the unit.
- Order videos.
- Invite guest speakers.

☑ **NOTE:** Please provide the guest speaker with the specific topic relevant to the unit of instruction ahead of time. You may want to supply the Objective Sheet, Information Sheet, and any other components you want the speaker to cover. Confirm the scheduled appearance two to three days prior to the presentation.

DELIVERY

Objective 1: Match terms associated with real and personal property insurance to their correct definitions.

- Use Information Sheet, objective 1 to introduce terms associated with real and personal property insurance.

Objective 2: Assess attitudes about property insurance. (Assignment Sheet 1)

- Have the students complete Assignment Sheet 1.
- Invite someone who has suffered property loss to speak to the class on the value of owning his or her insurance.

Objective 3: List items for which property owners should carry insurance.

- Have the students make a list of personal property items that they own or hope to own someday. Compile these lists on the board and discuss which items should be covered by insurance.

- Use Information Sheet, objective 3 to point out items for which property owners need insurance.

Objective 4: List types of property insurance coverage.

- Invite a property insurance agent to discuss the types of policies, policy packages, and factors that affect the cost of property insurance. Provide him or her with copies of the Information Sheet and Assignment Sheets before the visit.

- Use Information Sheet, objective 4 to introduce the types of property insurance coverage available.

Objective 5: Select from a list characteristics of package policies.

- Use Information Sheet, objective 5 to discuss characteristics of package policies.

Objective 6: Match types of liability insurance to their descriptions.

- Use Information Sheet, objective 6 to introduce the types of liability insurance available.

Objective 7: Match parts of a property insurance policy to their descriptions.

- Use Information Sheet, objective 7 to point out the parts of a typical property insurance policy.

Objective 8: Obtain information from a property insurance policy. (Assignment Sheet 2)

- Emphasize that this assignment leads to basic consumer protection: the better informed a consumer is, the more protection that consumer has.

- Review the sample policy with the students before they complete Assignment Sheet 2 to identify the parts of a property insurance policy that are included.

- Have the students complete Assignment Sheet 2.

Objective 9: Select from a list factors that determine the cost of property insurance.

- Use Information Sheet, objective 9 to review factors that affect the cost of property insurance for the consumer.

Objective 10: Select appropriate property insurance coverage. (Assignment Sheet 3)

- Collect pamphlets from several insurance companies. Have the students locate and compare the types of coverage offered.

- Invite an agent who handles property insurance to discuss coverages most needed and factors that affect the need for property insurance. Provide the agent with a copy of Assignment Sheet 3 before the visit. Allow the students to fill in the answers to Assignment Sheet 3 as the discussion progresses.

  ☑ **NOTE:** If questions remain after the agent's visit, assist the students in completing Assignment 3.

- Or if you prefer not to have a guest speaker, divide the class into groups and assign each group a part of the Assignment Sheet to complete and an insurance agent to contact by phone or in person. Have the students complete Assignment Sheet 3 by sharing information which they gather.

Objective 11: List purposes of having a household inventory.

- Have the students refer to their lists of personal property items which they decided should be covered by insurance. Then, lead a discussion of the reasons for and benefits of having a household inventory.

- Use Information Sheet, objective 11 to discuss the purposes of having a household inventory.

Objective 12: Select from a list guidelines for making a household inventory.

- Use Information Sheet, objective 12 to provide guidelines for making a household inventory.

Objective 13: Make a household inventory. (Assignment Sheet 4)

- Have the students complete Assignment Sheet 4.

EVALUATION

Pretest

- Give the Written Test as a pretest.
- Determine individual study requirements from pretest results.
- Counsel the students individually on pretest results and study requirements.
- Modify materials in the unit or create supplementary materials for individual students as required.

Skill Test

- Evaluate students on Assignment Sheet activities if not previously done.
- Reteach and reevaluate if necessary.
- Modify materials in the unit or create supplementary materials for individual students as required.

Written Test

- Explain to students that they will be asked to demonstrate on the Written Test actions listed in the specific objectives.
- Give the Written Test.

  ☑ **NOTE:** The Written Test may be given in sections if desired.

- Reteach and retest if necessary.
- Review individual and group performance in order to evaluate teaching methods. Adjust the scope, sequence, or instructional approaches for additional lessons as required.

SUGGESTED RESOURCES

Print Media

- Abromovitz, Les. *Family Insurance Handbook*. Blue Ridge Summit, PA: Liberty Hall Press, 1990.

- Campbell, Sally R. *The Confident Consumer*. South Holland, IL: Goodheart-Willcox Company, Inc., 1990.
- Maedke, Wilmer O. *Consumer Education*. Blacklick, OH: Glencoe Publishing Company, Inc., 1984.
- Nader, Ralph and Wesley J. Smith. *Winning the Insurance Game*. New York: Doubleday, 1993.
- *Sharing the Risk*, 3d ed. New York: Insurance Information Institute, 1989.

INFORMATION SHEET

PROPERTY INSURANCE

5

OBJECTIVE 1

Match terms associated with real and personal property insurance to their correct definitions.

- **appreciate** — increase in value
- **claim** — request for payment of losses
- **depreciate** — decrease in value
- **net worth** – the value of a person's total property after all financial obligations have been deducted
- **perils** — dangers that lead to economic loss

  ☑ **NOTE:** Insurance companies offer many different plans to purchase insurance to insure properties against certain perils.

- **personal property** — household contents and other personal belongings used, owned, worn, or carried by the residents
- **policy** — written contract in which the insurance company guarantees to insure a person and/or family against a specified loss, damage, and/or injury in return for the payment of a premium
- **premium** — payment to the insurance company for its services
- **real property** — land and things permanently attached to it

  EXAMPLE: House, garage

OBJECTIVE 2

Complete Assignment Sheet 1.

OBJECTIVE 3

List items for which property owners should carry insurance.

- Home and contents

- Appurtenant structures

  ☑ **NOTE:** *Appurtenant* is a term often used in the insurance industry to refer to real property other than the actual house.

  EXAMPLE: Detached garage, guest house, shed

- Other personal property

  EXAMPLE: Bicycle, trombone, jewelry, coin collection

- Personal liability

  EXAMPLE: Injury to a person on your property

OBJECTIVE 4 **List types of property insurance coverage.**

- Package policy

  ☑ **NOTE:** Package policies generally include most types of insurance coverages. Insurance covering damages caused by earthquake or flood is usually not included in package policies.

- Liability
- Fire and contents of the structure

  ☑ **NOTE:** A policy to cover contents of a structure is added to the basic fire insurance. Fire policies insure only the structure unless specified.

- Flood
- Crime

  ☑ **NOTE:** This type of policy is important to insure against the loss of such things as valuable coin collections.

- Earthquake
- Extended coverage

  EXAMPLE: Riot, civil commotion, aircraft or automobile damage

- Additional living expense

  ☑ **NOTE:** If the home cannot be occupied because of damage caused by a peril, this policy will pay part or all of the extra expenses for living elsewhere until the home can be occupied again.

- Renter

  ☑ **NOTE:** This coverage protects the owner from damages caused to the property by renters.

OBJECTIVE 5

Select from a list characteristics of package policies.

☑ **NOTE:** Package policies are most generally known as homeowners' policies and are the most common type of property insurance. Renters are also able to buy package policies on their personal property.

- Provide for basic, broad, or special coverage
- Allow for a combination of types of coverage
- Give extensive coverage at low cost

  ☑ **NOTE:** The difference in the coverage is due to the number of perils insured against. The amount of coverage you receive depends on the type of homeowner's (HO) policy you select. *Basic* (an HO-1 policy) gives you the least coverage; *special* (HO-3) gives you the greatest. *Comprehensive*, or *all-risk*, policies cover all perils except those excluded.

EXAMPLE:

PERILS AGAINST WHICH PROPERTIES ARE INSURED

HO-1 (Basic Form)	HO-2 (Broad Form)	HO-3 (Special Form)
Section I Coverages		
Fire or lightning Windstorm or hail Explosion Riot or civil commotion Aircraft Vehicles Smoke Vandalism or malicious mischief Theft Breakage of glass or safety glazing material (limit of $100) Volcanic eruption	Fire or lightning Windstorm or hail Explosion Riot or civil commotion Aircraft Vehicles Smoke Vandalism or malicious mischief Theft Breakage of glass or safety glazing material (limit of $100) Volcanic eruption Falling objects Weight of ice, snow, or sleet Accidental discharge or overflow of water or steam Sudden and accidental tearing, cracking, burning, or bulging of a steam, hot water, air-conditioning, or automatic fire protective sprinkler system, or appliance for heating water Freezing Sudden and accidental damage from artificially generated electrical current	Dwelling and other structures covered against risks of direct physical loss to property except losses specifically excluded Personal property covered by same perils as HO-2 plus damage by glass or safety glazing material, which is part of a building, storm door, or storm window
Section II Coverages (Minimums)		
$100,000* $1,000 per person+	$100,000* $1 000 per person+	$100,000* $1,000 per person+

* personal liability + medical payments to others

☑ **NOTE:** The information given in the above chart concerns coverage from Section I of an insurance policy. Liability coverage is provided in most homeowner's policies and is addressed in Section II of the policy.

OBJECTIVE 6 **Match types of liability insurance to their descriptions.**

- **medical payments** — protect the homeowner from accidental injury claims of others arising from actions of the homeowner's family members or pets either on or off the homeowner's property; payment is made regardless of who is at fault

- **personal liability** — protects the insured against claims arising from bodily injury to others or damage to property of others; no claim is paid by the insurance company unless it has been established that the insured is legally liable

- **property liability** — pays for minor damages to property accidentally caused by any member of the insured family; payment is made regardless of who is at fault

OBJECTIVE 7

Match parts of a property insurance policy to their descriptions.

☑ **NOTE:** Most property insurance policies will have seven parts.

- **conditions** — clarification of the rights and obligations of the company and the policyholder

  ☑ **NOTE:** This section gives information about collecting after a loss, receiving payments, and terminating the contract.

- **coverage** — information as to what the policy will cover

  ☑ **NOTE:** This section states which perils are covered.

- **declarations** — listing of personal information that is given when applying for the policy; gives the length of time the policy covers and the maximum payment the company will make under each coverage; describes the property that is insured

- **definitions** — information about the terms found in the policy

- **endorsements** — any additions made to the contract

- **exclusions** — listing of perils for which the company will not pay

  ☑ **NOTE:** Injuries or damages caused intentionally are normally excluded.

- **insuring agreement** — company's promise to pay any losses covered by the policy

OBJECTIVE 8

Complete Assignment Sheet 2.

OBJECTIVE 9

Select from a list factors that determine the cost of property insurance.

- Replacement value of the home

  ☑ **NOTE:** Although many homes are underinsured, it is very important to keep the home adequately insured. Most homes appreciate in value; very few depreciate.

- Materials used in construction

  EXAMPLE: Rates may be higher for a frame house than for a brick house.

- Access to adequate fire protection

  EXAMPLE: Distance from a fire hydrant or station

- Length of time the policy covers

- Deductible clauses

  ☑ **NOTE:** Premium increases as the amount of the deductible decreases.

- Number of claims made to the insurance company

  ☑ **NOTE:** When the size and number of claims and dollar costs paid out rise, the premiums rise.

OBJECTIVE 10

Complete Assignment Sheet 3.

OBJECTIVE 11

List purposes of having a household inventory.

- Planning how much insurance to carry
- Determining net worth
- Proving ownership and loss
- Filing a claim
- Planning future needs and spending

OBJECTIVE 12 **Select from a list guidelines for making a household inventory.**

- List each item.

  ☑ **NOTE:** Taking pictures of some of the items on your inventory may be helpful. Pictures can provide proof of your valuables, and can make replacement easier.

- Indicate the quantity of each item.

  EXAMPLE: Three lamps

- Indicate the room where the item is located.
- Indicate the date the item was purchased.
- Indicate the original purchase price.
- Keep the inventory up-to-date.

  EXAMPLE: Delete discarded items; add new items; change replacement costs.

OBJECTIVE 13 **Complete Assignment Sheet 4.**

ASSIGNMENT SHEET 1 — PROPERTY INSURANCE

5

Name ______________________ Score ________

OBJECTIVE 2

Assess attitudes about property insurance.

INTRODUCTION

Homeowners and renters need protection against perils that could destroy their belongings. To guard against these risks and to prevent large losses, many people buy property insurance.

Think about the property you and your family own. It could be damaged, stolen, or destroyed in many ways. For example, a fire or a tornado could destroy everything.

INSTRUCTIONS

Respond to the following statements. Indicate whether you agree or disagree and explain why.

Reading Comprehension
- Draw conclusions
- React to written material

Language
- Use standard grammar, spelling, and capitalization
- State ideas clearly

1. If people are careful, they do not need to buy insurance.

   Do you agree or disagree? ______________________

   Why? ______________________

   ____

   ____

2. Purchasing property insurance is counting on the worst to happen.

   Do you agree or disagree? ______________________

   Why? ______________________

   ____

   ____

3. I'll always be able to replace or repair property that is lost or damaged.

   Do you agree or disagree? ______________________

Why? ______________________________

____

____

4. Because everyone else has insurance, I don't need it.

   Do you agree or disagree? ______________________________

   Why? ______________________________

   ____

   ____

5. Someone who rents an apartment does not need insurance.

   Do you agree or disagree? ______________________________

   Why? ______________________________

   ____

   ____

6. Taking a household inventory is more trouble than it is worth.

   Do you agree or disagree? ______________________________

   Why? ______________________________

   ____

   ____

7. In the long run, property insurance is really not worth the money.

   Do you agree or disagree? ______________________________

   Why? ______________________________

   ____

   ____

ASSIGNMENT SHEET 2

PROPERTY INSURANCE

5

Name ______________________ Score __________

OBJECTIVE 8

Obtain information from a property insurance policy.

INTRODUCTION

The most important item when buying insurance is the insurance policy. It spells out the rights and obligations of the insurance company and the person buying the insurance. The insured person should read the policy very carefully.

The policy should have a section called *definitions* where many key terms used in the policy are defined.

INSTRUCTIONS

Reading Comprehension
- Gain factual information
- Draw conclusions
- React to written material

Functional Reading
- Interpret forms and records

Language
- Use standard grammar, spelling, and capitalization
- State ideas clearly

Using the information from the insurance policy provided at the end of this Assignment Sheet, answer the following questions.

Part 1

Review the sample policy with your instructor to identify the parts of a property insurance policy. Then, answer the following questions about the information on the declaration sheet.

1. What is the period of the policy? ______________________
2. Where is the residence premise covered by this policy?

   ____

   ____

3. What is the coverage on the following items?
   a. Dwelling ______________________
   b. Other structures ______________________
   c. Personal property ______________________
   d. Loss of use ______________________
   e. Personal liability (each occurrence) ______________________
   f. Medical payments to others (each person) ______________________

4. What is the name of the authorized representative?

5. What year was the home constructed?

6. What type of house is being insured?

7. How many feet is the house from a water hydrant?

8. How many miles is the house from the fire department?

Part 2

Answer the following questions about Section I of the insurance policy.

☑ **NOTE:** Briefly summarize your answers.

1. COVERAGE A — What materials and supplies are insured?

2. COVERAGE B — What structures are not covered?

3. COVERAGE C — What property is not covered? List seven.

4. COVERAGE D — What is not covered by Section D?

5. ADDITIONAL COVERAGES — What additional coverage is provided? List four.

6. What perils does this insurance policy cover? Name twelve.

7. What perils are not covered in this insurance policy? Name five.

Part 3

Answer the following questions about Section II concerning liability coverage of this insurance policy.

1. COVERAGE E — In case of a lawsuit, who provides the defense and selects the counsel?

2. COVERAGE F — Within what length of time after an accident will the insurance company pay for medical expenses?

Part 4

Answer questions about Section I and Section II concerning conditions.

1. How may the insured cancel the insurance policy?

2. Under what circumstances can the insurance company cancel the policy?

Sample Policy

1 of 2

Your Town Insurance Company, Inc.
101 North Main Street
Stillwater, Oklahoma

HOMEOWNERS POLICY
DECLARATIONS

Name of Insured and Mailing Address
John Doe
Route 1
Anywhere, Oklahoma

Policy Period: Years 1 From: May 2, 1996 to May 2, 1997 12:01 A.M. Standard Time at the residence premises.

The **residence premises** covered by this policy is located at the above address unless otherwise stated (No., Street, Apt., Town or City, County, State, ZIP Code) S.E. 10.68 acres of lot 8, section 27, 3N, 8E, 1¼ miles from Anywhere, Oklahoma.

Coverage is provided where a premium or limit of liability is show for the coverage.

Coverages and Limit of Liability	**Section I Coverages**				**Section II Coverages**			
	A. Dwelling	B. Other Structures	C. Personal Property	D. Loss of Use	E. Personal Liability Each occurrence		F. Medical Payments to Others Each person	
	$48,000	$4,800	$24,000	$9,600	$50,000		$1,000	
Premium	BASIC POLICY PREMIUM	Additional Premiums			Total Prepaid Premium	Premium, if paid in installments	Payable: At Inception (and)	At each anniversary
	$ 598.	$ $	$	$	$ 598.	$	$	$
	Premium for Scheduled Personal Property				$	$	$	$
Form and Endorsements made part of the Policy at time of issue		**Combined Premium**			$ 598.	$	$	$
Insert Number(s) and Edition Date(s)		Form HO - 2 (7-96) Endorsement(s) HO - 300 (5-96)						
DEDUCTIBLE	SECTION I $ 500.	OTHER $		In case of a loss under Section I, we cover only that part of the loss over the deductible stated.				
SECTION II	Other **insured locations:** (No., Street, Apt., Town or City, County, State, Zip Code							
Mortgagee (Name and address)	NONE					Special State Provisions S. Car. Valuation Clause (Cov. A) $		

Countersigned: **2 May, 1996**
(29 April 1996 ps)

Oklahoma City, Oklahoma
J.J. McLoughlin
Insurance, LTD.

By ____________________

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RATING INFORMATION

NUMBER OF FAMILIES (Code)	Not Town/rowhouse Number of Families				Town/rowhouse Family units in Fire Div.			HO-4HO-6 Self-Rating		Annual Fire E.C. Rate	Year of Construction Year Code
	1	2	3	4	3-4	5-8	9 over	No	Yes		1987
	(1) ☐	(3) ☐	(6) ☐	(8) ☐	(2) ☐	(4) ☐	(9) ☐	☐	☐		

	If YES Number of Families								If NO Number of Families
	H0-4 and H0-6 not rented to others				H0-6 rented to others				
	1-4	5-10	11-40	over 40	1-4	5-10	11-40	over 40	
	(1) ☐	(2) ☐	(3) ☐	(4) ☐	(5) ☐	(6) ☐	(7) ☐	(8) ☐	

CON-STRUC-TION	Frame ☐	Brick, Stone or Masonry Veneer ☐	Brick, Stone or Masonry ☐	Frame with Aluminum or Plastic Siding ☐	Fire Resistive ☐
	Mobile Homes Enclosed Foundation ☐	Mobile Homes Not Enclosed Foundation ☐	Modular Homes Rated as Frame ☐	Specifically Rated - Not Fire Resistive ☐	

PROTEC-TION	Code	Not more than 30 feet from hydrant	Not more than 1¼ miles from Fire Department	Southern	Inside City Limits ☐	Inside Protected Suburb ☐	Inside Fire District ☐

ZONE Code

PREMIUM GR. NO.

DEDUCTIBLE: ***Type Code*** ***Size Code*** Section I $ Other $____

STATISTICAL REPORTING INFORMATION *Codes*	*No*	*Type*	*Class*	*Cov. E*	*Cov. F*	Premium: Prepaid	If paid in Installments	Payable at: Inception	Each Anniv.
Snowmobiles	( )	--	--	( )	( )	$	$	$	$
Watercraft	( )	(2)	( )	( )	( )	$	$	$	$
Outboard Motor	( )	(1)	( )	( )	( )	$	$	$	$
ALL OTHER PREMIUMS (except Scheduled Personal Property)						$	$	$	$

(a) The **residence premises** is not seasonal. (b) no **business** pursuits are conducted on the **residence premises**; (c) the **residence premises** is the only premises where you maintain a residence other than business or farm properties; (d) the **insured** has no full time **residence employee(s)**; (e) the **insured** has no outboard motor(s) or watercraft otherwise excluded under this policy for which coverage is desired. Exception, if any to (a), (b), (c), (d), or (e)*

*Absence of an entry means "no exceptions."

THIS DECLARATIONS PAGE, WITH POLICY JACKET, HOMEOWNERS POLICY FORM, AND ENDORSEMENTS IF ANY, ISSUED TO FORM **A** PART THEREOF, COMPLETES THE ABOVE NUMBERED HOMEOWNERS POLICY.

☑ **NOTE: Definitions section has been deleted.**

SECTION I — COVERAGES

COVERAGE A
DWELLING

We cover:

a. the dwelling on the **residence premises** shown in the Declarations used principally as a private residence, including structures attached to the dwelling; and

b. materials and supplies located on or adjacent to the **residence premises** for use in the construction, alteration or repair of the dwelling or other structures on the **residence premises**.

COVERAGE B
OTHER STRUCTURES

We cover other structures on the **residence premises**, separated from the dwelling by clear space. Structures connected to the dwelling by only a fence, utility line, or similar connection are considered to be other structures.

We do not cover other structures:

a. used in whole or in part for **business** purposes; or

b. rented or held for rental to any person not a tenant of the dwelling, unless used solely as a private garage.

COVERAGE C
PERSONAL PROPERTY

We cover personal property owned or used by any **insured** while it is anywhere in the world. At your request, we will cover personal property owned by others while the property is on the part of the **residence premises** occupied by any **insured**. In addition, we will cover at your request, personal property owned by a guest or a **residence employee**, while the property is in any residence occupied by any **insured**.

Our limit of liability for personal property usually situated at any **insured's** residence, other than the **residence premises**, is 10% of the limit of liability for Coverage C, or $1000, whichever is greater. Personal property in a newly acquired principal residence is not subject to this limitation for the 30 days immediately after you begin to move the property there.

Special Limits of Liability. These limits do not increase the Coverage C limit of liability. The special limit for each following numbered category is the total limit for each occurrence for all property in that numbered category.

1. $100 on money, bank notes, bullion, gold other than goldware, silver other than silverware, platinum, coins and medals.

2. $500 on securities, accounts, deeds, evidences of debt, letters of credit, notes other than bank notes, manuscripts, passports, tickets and stamps.

3. $500 on watercraft, including their trailers, furnishings, equipment and outboard motors.

4. $500 on trailers not used with watercraft.

5. $500 on grave markers.

6. $500 for loss by theft of jewelry, watches, furs, precious and semi-precious stones.

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7. $1000 for loss by theft of silverware, silver-plated ware, goldware, gold-plated ware and pewterware.
8. $1000 for loss by theft of guns.

Property Not Covered. We do not cover:

1. articles separately described and specifically insured in this or any other insurance;
2. animals, birds, or fish;
3. motorized land vehicles except those used to service an **insured's** residence which are not licensed for road use;
4. any device or instrument, including any accessories or antennas, for the transmitting, recording, receiving or reproduction of sound which is operated by power from the electrical system of a **motor vehicle**, or any tape, wire, record, disc or other medium for use with any such device or instrument while any of this property is in or upon a **motor vehicle**;
5. aircraft and parts;
6. property of roomers, boarders and other tenants, except property of roomers and boarders related to any **insured**;
7. property contained in an apartment regularly rented or held for rental to others by any **insured**;
8. property rented or held for rental to others away from the **residence premises**;
9. **business** property in storage or held as a sample or for sale or delivery after sale;
10. **business** property pertaining to a **business** actually conducted on the **residence premises**;
11. **business** property away from the **residence premises**.

COVERAGE D
LOSS OF USE

The limit of liability for Coverage D is the total limit for all the following coverages:

1. **Additional Living Expense.** If a loss covered under this Section makes the **residence premises** uninhabitable, we cover any necessary increase in living expenses incurred by you so that your household can maintain its normal standard of living.

   Payment shall be for the shortest time required to repair or replace the premises or, if you permanently relocate, the shortest time required for your household to settle elsewhere. This period of time is not limited by expiration of this policy.

2. **Fair Rental Value.** If a loss covered under this Section makes that part of the **residence premises** rented to others or held for rental by you uninhabitable, we cover its fair rental value. Payment shall be for the shortest time required to repair or replace the part of the premises rented or held for rental. This period of time is not limited by expiration of this policy. Fair rental value shall not include any expense that does not continue while that part of the **residence premises** rented or held for rental is uninhabitable.

3. **Prohibited Use.** If a civil authority prohibits you from use of the **residence premises** as a result of direct damage to neighboring premises by a Peril Insured Against in this policy, we cover any resulting Additional Living Expense and Fair Rental Value loss for a period not exceeding two weeks during which use is prohibited.

We do not cover loss or expense due to cancellation of a lease or agreement.

ADDITIONAL COVERAGES

1. **Debris Removal.** We will pay the reasonable expense incurred by you in the removal of debris of covered property provided coverage is afforded for the peril causing the loss. Debris removal expense is included in the limit of liability applying to the damaged property. When the amount payable for the actual damage to the property plus the expense for debris removal exceeds the limit of liability for the damaged property, an additional 5% of that limit of liability will be available to cover debris removal expense.

2. **Reasonable Repairs.** We will pay the reasonable cost incurred by you for necessary repairs made solely to protect covered property from further damage provided coverage is afforded for the peril causing the loss. This coverage does not increase the limit of liability applying to the property being repaired.

3. **Trees, Shrubs and Other Plants.** We cover trees, shrubs, plants or lawns, on the **residence premises**, for loss caused by the following Perils Insured Against: Fire or lightning, Explosion, Riot or civil commotion, Aircraft, Vehicles not owned or operated by a resident of the **residence premises**, Vandalism or malicious mischief or Theft. The limit of liability for this coverage shall not exceed 5% of the limit of liability that applies to the dwelling for all trees, shrubs, plants and lawns nor more than $500 for any one tree, shrub or plant. We do not cover property grown for **business** purposes.

4. **Fire Department Service Charge.** We will pay up to $250 for your liability assumed by contract or agreement for fire department charges insured when the fire department is called to save or protect covered property from a Peril Insured Against. No deductible applies to this coverage.

5. **Property Removed.** Covered property while being removed from a premises endangered by a Peril Insured Against and for not more than 30 days while removed is covered for direct loss from any cause. This coverage does not change the limit of liability applying to the property being removed.

6. **Credit Card, Forgery and Counterfeit Money.** We will pay up to $500 for:

   a. the legal obligation of any **insured** to pay because of the theft or unauthorized use of credit cards issued to or registered in any **insured's** name.

   We do not cover use by a resident of your household, a person who has been entrusted with the credit card, or any person if any **insured** has not complied with all terms and conditions under which the credit card is issued.

   b. loss to any **insured** caused by forgery or alteration of any check or negotiable instrument; and

   c. loss to any **insured** through acceptance in good faith of counterfeit United States or Canadian paper currency.

   We do not cover loss arising out of **business pursuits or dishonesty of any** insured.

   No deductible applies to this coverage.

   Defense:

   a. We may make any investigation and settle any claim or suit that we decide is appropriate. Our obligation to defend any claim or suit ends when the amount we pay for the loss equals our limit of liability.

   b. If a claim is made or a suit is brought against any **insured** for liability under the Credit Card coverage, we will provide a defense at our expense by counsel of our choice.

   c. We have the option to defend at our expense any **insured** or any **insured's** bank against any suit for the enforcement of payment under the Forgery coverage.

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SECTION I — PERILS INSURED AGAINST

We insure for direct loss to the property described in Coverages A, B and C caused by:

1. **Fire or lightning.**

2. **Windstorm or hail.**

   This peril does not include loss to the interior of a building or the property contained in a building caused by rain, snow, sleet, sand or dust unless the direct force of wind or hail damages the building causing an opening in a roof or wall and the rain, snow, sleet, sand or dust enters through this opening.

   This peril includes loss to watercraft and their trailers, furnishings, equipment, and outboard motors only while inside a fully enclosed building.

3. **Explosion.**

4. **Riot or civil commotion.**

5. **Aircraft**, including self-propelled missiles and spacecraft.

6. **Vehicles.**

   This peril does not include loss to a fence, driveway or walk caused by a vehicle owned or operated by a resident of the **residence premises**.

7. **Smoke**, meaning sudden and accidental damage from smoke.

   This peril does not include loss caused by smoke from agricultural smudging or industrial operations.

8. **Vandalism or malicious mischief.**

   This peril does not include loss to property on the **residence premises** if the dwelling has been vacant for more than 30 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant.

9. **Theft**, including attempted theft and loss of property from a known location when it is likely that the property has been stolen.

   This peril does not include loss caused by theft:

   a. committed by any **insured**;

   b. in or to a dwelling under construction, or of materials and supplies for use in the construction until the dwelling is completed and occupied; or

   c. from any part of a **residence premises** rented by an **insured** to other than an **insured**.

   This peril does not include loss caused by theft that occurs away from the **residence premises** of:

   a. property while at any other residence owned, rented to, or occupied by any **insured**, except while any **insured** is temporarily residing there. Property of a student who is an **insured** is covered while at a residence away from home if the student has been there at any time during the 45 days immediately before the loss;

   b. unattended property in or on any **motor vehicle** or trailer, other than a public conveyance, unless there is forcible entry into the vehicle while all its doors, windows and other openings are closed and locked and there are visible marks of the forcible entry; or the vehicle is stolen and not recovered within 30 days. Property is not unattended when the **insured** has entrusted the keys of the vehicle to a custodian;

c. watercraft, including its furnishing, equipment and outboard motors. Other property in or on any private watercraft is covered if the loss results from forcible entry into a securely locked compartment and there are visible marks of the forcible entry; or

d. trailers and campers.

10. **Breakage of glass or safety glazing material** which is part of a building, storm door or storm window.

This peril does not include loss on the **residence premises** if the dwelling has been vacant for more than 30 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant.

11. **Falling objects.**

This peril does not include loss to the interior of a building or property contained in the building unless the roof or an exterior wall of the building is first damaged by a falling object. Damage to the falling object itself is not included.

12. **Weight of ice, snow or sleet** which causes damage to a building or property contained in the building.

This peril does not include loss of an awning, fence, patio, pavement, swimming pool, foundation, retaining wall, bulkhead, pier, wharf, or dock.

13. **Collapse of a building or any part of a building.**

This peril does not include loss to an awning, fence, patio, pavement, swimming pool, underground pipe, flue, drain, cesspool, septic tank, foundation, retaining wall, bulkhead, pier, wharf or dock unless the loss is a direct result of the collapse of a building. Collapse does not include settling, cracking, shrinking, bulging or expansion.

14. **Accidental discharge or overflow of water or steam** from within a plumbing, heating or air conditioning system or from within a household appliance. We also pay for tearing out and replacing any part of the building on the **residence premises** necessary to repair the system or appliance from which the water or steam escaped.

The peril does not include loss:

a. to a building caused by continuous or repeated seepage or leakage;

b. on the **residence premises**, if the dwelling has been vacant for more than 30 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant;

c. to the system or appliance from which the water or steam escaped;

d. caused by or resulting from freezing; or

e. on the **residence premises** caused by accidental discharge or overflow which occurs off the **residence premises.**

15. **Sudden and accidental tearing apart, cracking, burning or bulging** of a steam or hot water heating system, an air conditioning system, or an appliance for heating water.

We do not cover loss caused by or resulting from freezing under this peril.

16. **Freezing** of a plumbing, heating or air conditioning system or of a household appliance.

This peril does not include loss on the **residence premises** while the dwelling is vacant, unoccupied or being constructed, unless you have reasonable care to:

   a. maintain heat in the building; or

   b. shut off the water supply and drain the system and appliances of water.

17. **Sudden and accidental damage from artificially generated electrical current.**

    This peril does not include loss of a tube, transistor or similar electronic components.

SECTION I — EXCLUSIONS

We do not cover loss resulting directly or indirectly from:

1. **Ordinance or law,** meaning enforcement of any ordinance or law regulating the construction, repair, or demolition of a building or other structure, unless specifically provided under this policy.

2. **Earth Movement.** Direct loss by fire, explosion, theft, or breakage of glass or safety glazing materials resulting from earth movement is covered.

3. **Water Damage,** meaning:

   a. flood, surface water, waves, tidal water, overflow of a body of water, or spray from any of these whether or not driven by wind;

   b. water which backs up through sewers or drains; or

   c. water below the surface of the ground including water which exerts pressure on, or seeps or leaks through, sidewalk, driveway, foundation, swimming pool or other structure.

   Direct loss by fire, explosion or theft resulting from water damage is covered.

4. **Power Interruption,** meaning the interruption of power or other utility service if the interruption takes place away from the **residence premises**. If a Peril Insured Against ensues on the **residence premises,** we will pay only for loss caused by the ensuing peril.

5. **Neglect,** meaning neglect of the **insured** to use all reasonable means to save and preserve property at and after the time of loss, or when property is endangered by a Peril Insured Against.

6. **War,** including undeclared war, civil war, insurrection, rebellion, revolution, warlike act by a military force or military personnel, destruction or seizure or use for a military purpose, and including any consequence of any of these. Discharge of a nuclear weapon shall be deemed a warlike act even if accidental.

7. **Nuclear Hazard,** to the extent set forth in the Nuclear Hazard Clause of Section I — Conditions.

☑ **NOTE:** Section I — Conditions has been deleted.

SECTION II — LIABILITY COVERAGES

COVERAGE E
PERSONAL LIABILITY

If a claim is made or a suit is brought against any **insured** for damages because of **bodily injury** or **property damage** to which this coverage applies, we will:

a. pay up to our limit of liability for the damages for which the **insured** is legally liable; and

b. provide a defense at our expense by counsel of our choice. We may make any investigation and settle any claim or suit that we decide is appropriate. Our obligation to defend any claim or suit ends when the amount we pay for damages resulting from the occurrence equals our limit of liability.

COVERAGE F
MEDICAL PAYMENTS TO OTHERS

We will pay the necessary medical expenses insured or medically ascertained within three years from the date of an accident causing **bodily injury**. Medical expenses means reasonable charges for medical, surgical, x-ray, dental, ambulance, hospital, professional nursing, prosthetic devices and funeral services. This coverage does not apply to you or regular residents of your household other than **residence employees**. As to others, this coverage applies only:

a. to a person on the **insured location** with the permission of any **insured**;

b. to a person off the **insured location**, if the **bodily injury**;

  (1) arises out of a condition in the insured location or the ways immediately adjoining;

  (2) is caused by the activities of any **insured**;

  (3) is caused by a **residence employee** in the course of the **residence employee's** employment by any **insured**; or

  (4) is caused by an animal owned by or in the care of any **insured**.

☑ **NOTE:** Section II — Exclusions and Additional Coverages have been deleted.

SECTION I AND SECTION II — CONDITIONS

1. **Policy Period.** This policy applies only to loss under Section I or **bodily injury** or **property damage** under Section II, which occurs during the policy period.

2. **Concealment or Fraud.** We do not provide coverage for any **insured** who has intentionally concealed or misrepresented any material fact or circumstance relating to this insurance.

3. **Liberalization Clause.** If we adopt any revision which would broaden the coverage under this policy without additional premium within 60 days prior to or during the policy period, the broadened coverage will immediately apply to this policy.

4. **Waiver or Change of Policy Provisions.** A waiver or change of any provision of this policy must be in writing by us to be valid. Our request for an appraisal or examination shall not waive any of our rights.

5. **Cancellation.**

   a. You may cancel this policy at any time by returning it to us or by notifying us in writing of the date cancellation is to take effect.

   b. We may cancel this policy only for the reasons stated in this condition by notifying you in writing of the date cancellation takes effect. This cancellation notice may be delivered to you or mailed to you at your mailing address shown in the Declarations. Proof of mailing shall be sufficient proof of notice.

      (1) When you have not paid the premium, whether payable to us or to our agent or under any finance or credit plan, we may cancel at any time by notifying you at least 10 days before the date cancellation takes effect.

      (2) When this policy has been in effect for less than 60 days and is not a renewal with us, we may cancel for any reason by notifying you at least 10 days before the date cancellation takes effect.

      (3) When this policy has been in effect for 60 days or more, or at any time if it is a renewal with us, we may cancel if there has been a material misrepresentation of fact which if known to us would have caused us not to issue the policy or if the risk has changed substantially since the policy was issued. This can be done by notifying you at least 30 days before cancellation takes effect.

      (4) When this policy is written for a period longer than one year, we may cancel for any reason at anniversary by notifying you at least 30 days before the date cancellation takes effect.

   c. When this policy is canceled, the premium for the period from the date of cancellation to the expiration date will be refunded. When you request cancellation, the return premium will be based on our short rate table. When we cancel, the return premium will be pro rata.

   d. If the return premium is not refunded with the notice of cancellation or when this policy is returned to us, we will refund it within a reasonable time after the date cancellation takes effect.

6. **Non-Renewal.** We may elect not to renew this policy. We may do so by delivery to you, or mailing to you at your mailing address shown in the Declarations, written notice at least 30 days before the expiration date of this policy. Proof of mailing shall be sufficient proof of notice.

7. **Assignment.** Assignment of this policy shall not be valid unless we give our written consent.

8. **Subrogation.** Any **insured** may waive in writing before a loss all rights of recovery against any person. If not waived, we may require an assignment of rights of recovery for a loss to the extent that payment is made by us.

   If an assignment is sought, any **insured** shall sign and deliver all related papers and cooperate with us in any reasonable manner. Subrogation does not apply under Section II to Medical Payments to Others or Damage to Property of Others.

9. **Death.** If any person named in the Declarations or the spouse, if a resident of the same household, dies:

   a. we insure the legal representative of the deceased but only with respect to the premises and property of the deceased covered under the policy at the time of death;

   b. **insured** includes:

      (1) any member of your household who is **insured** at the time of your death, but only while a resident of the **residence premises**; and

      (2) with respect to your property, the person having proper temporary custody of the property until appointment and qualification of a legal representative.

ASSIGNMENT SHEET 3

PROPERTY INSURANCE

5

Name ______________________________ Score __________

OBJECTIVE 10

Select appropriate property insurance coverage.

INTRODUCTION

Property insurance contracts routinely limit coverage on the basis of the location of the property, time of loss, persons involved, and the types of hazards to which the property is exposed. Understanding these limitations and other conditions of a property insurance contract will help you purchase appropriate insurance.

INSTRUCTIONS

Interview an insurance agent to obtain more information. Use the questions listed in Part I below as guidelines. Feel free to add your own questions.

After completing the interview, describe briefly in Part II the kinds of property insurance policies you want to meet your personal needs now. Ask the insurance agent to estimate the cost of this coverage. How do you think the kinds of policies you will need in ten years will be different from those policies that would fit your needs today? Compare your answers from the interview with those of other students.

Language
- Use standard grammar, spelling, and capitalization
- State ideas clearly

Research
- Take notes

Listening
- Apply active listening skills

Interactive
- Apply questioning techniques

Communications

Part I

Homeowner's Insurance:

1. What is the difference in *basic form, broad form, special form, comprehensive form,* and *tenant homeowner's policies*?

2. What payment is made for indirect loss, such as rental income not received because a building was destroyed?

3. How does inland marine insurance cover property that does not remain in a fixed location, such as cargo or contractor's equipment?

4. How can jewelry and other valuable items be included in a homeowner's policy?

5. How do policies cover damages resulting from torts and other crimes?

6. How do basic homeowner's policies cover the following disasters: fire, lightning, windstorms, hail, explosions, riots, falling aircraft, smoke damage, vandalism, and theft?

7. How do broad homeowner's policies cover more disasters than basic homeowners' policies?

8. Can coverage be purchased for the following disasters: weight of ice, snow, and sleet; explosion of heating systems; water damage; freezing pipes; electrical damage to appliances; and glass damage?

9. Can a person usually get coverage for the following disasters: earthquakes, landslides, floods, backed-up sewers, war, nuclear radiation, tornadoes, and hurricanes?

10. Which kind of homeowner's policy is most widely purchased?

Part II

HOMEOWNER'S INSURANCE POLICY

The type of homeowners' insurance policy I feel would meet my

current needs is ______________________________

because ______________________________

____

____

____

____

____

____

The cost ranges from $________ to $________

HOMEOWNER'S INSURANCE POLICY

The type of homeowners' insurance policy I feel would meet my

future needs is ______________________________

because ______________________________

____

____

____

____

____

____

The cost ranges from $________ to $________

ASSIGNMENT SHEET 4

PROPERTY INSURANCE

5

Name ______________________ Score __________

OBJECTIVE 13 **Make a household inventory.**

INTRODUCTION

Your memory may be excellent, but to remember exactly what household goods and personal possessions you have in any given place in your home is nearly impossible. In fact, most people cannot guess within several hundred dollars what their household furnishings are worth. This is because you accumulate your possessions a piece at a time.

Your inventory should be kept outside the home in a safe place such as a safe-deposit box. Without the inventory you may not be able to remember items in your home and, therefore, may not receive money owed to you by your insurance company.

SAMPLE HOUSEHOLD INVENTORY

Date Purchased	Room: LIVING ROOM			
	No. of Items	Article	Original Cost	Estimated Replacement Cost
2-82	3	Bookcases	$ 875	$ 1,350
8-83	90	Books	1,200	1,625
9-91	1	Cabinets	650	1,400
10-91	1	Carpets-Rugs	900	1,600
2-89	2	Chairs	500	900
6-89	4	Cushions-Pillows	75	150
7-83	2	Curtains-Drapes	300	375
6-86	1	Desk	675	1,200
7-81	1	Fireplace Equipment	180	225
6-81	3	Lamps	160	265
6-81	1	Mantle Pieces (antique)	500	750
1-83	6	Paintings	240	750
1-94	1	Piano	1,800	2,000
2-78	4	Pictures (original oils)	950	1,200
7-92	2	Plants	75	85
6-87	1	Radio	45	80
1-88	1	Sofa	600	800
3-88	4	Tables	900	1,250
2-92	1	Television	700	850
2-92	1	Stereo	500	575
10-93	1	Wall Hangings	100	150

INSTRUCTIONS

Research and Reference
- Select useful resources
- Locate resources

Language
- Use standard grammar, spelling, and capitalization
- State ideas clearly

Functional Writing
- Complete forms and records

Cognitive Activities
- Collect/record information
- Analyze/synthesize information

To complete an inventory of the items in your home, you will need to estimate replacement cost. This must be done by the insured when making a property claim. Use catalogs and advertisements to support your figures. The actual replacement cost will be determined by the insured and the insurer.

Include reasons why articles may be worth more than usual replacement costs.

____

____

____

____

____

____

____

____

____

____

List the sources you used to support your replacement cost figures.

____

____

____

____

____

Date of Purchase	Room:			
	No. of Items	Article	Original Cost	Estimated Replacement Cost

Date of Purchase	Room:			
	No. of Items	Article	Original Cost	Estimated Replacement Cost

Date of Purchase	Room:			
	No. of Items	Article	Original Cost	Estimated Replacement Cost

Date of Purchase	Room:			
	No. of Items	Article	Original Cost	Estimated Replacement Cost

Part 2

Answer the following questions about your inventory.

1. Do you think it is necessary to take pictures of any of the items on your inventory list?

   If so, which items should be photographed? ____________________

   ____

   ____

   ____

   Why do you think these pictures need to be taken?

   ____

   ____

   ____

   ____

2. After taking inventory, do you think that having property insurance is important? ____________________

   Why? ____________________

   ____

   ____

3. How could keeping a household inventory be made easier?

   ____

   ____

   ____

WRITTEN TEST

PROPERTY INSURANCE

5

Name ______________________________ Score __________

OBJECTIVE 1

Match terms associated with real and personal property insurance to their correct definitions. Write the correct letters in the blanks.

A. appreciate
B. perils
C. premium
D. personal property
E. depreciate

F. real property
G. policy
H. claim
I. net worth

____ 1. Household contents and other personal belongings used, owned, worn, or carried by the residents

____ 2. Land and things permanently attached to it

____ 3. Dangers that lead to economic loss

____ 4. Written contract in which the insurance company guarantees to insure a person and/or family against a specified loss, damage, and/or injury in return for the payment of a premium

____ 5. Increase in value

____ 6. Decrease in value

____ 7. Request for payment of losses

____ 8. Payment to the insurance company for its services

____ 9. The value of a person's total property after all financial obligations have been deducted

OBJECTIVE 2

Evaluated on Assignment Sheet 1.

May be photocopied for student use.

OBJECTIVE 3

List items for which property owners should carry insurance. List three items in the blanks.

- ____
- ____
- ____

OBJECTIVE 4

List types of property insurance coverage. List seven types in the blanks.

- ____
- ____
- ____
- ____
- ____
- ____
- ____

OBJECTIVE 5

Select from a list characteristics of package policies. Write an "X" in the blank before each correct answer.

____ 1. Are not purchased very often

____ 2. Allow for a combination of types of coverage

____ 3. Provide for basic, broad, or special coverage

____ 4. Can be purchased only by homeowners

____ 5. Give extensive coverage at low cost

____ 6. Must be purchased from an independent agent

May be photocopied for student use.

OBJECTIVE 6

Match types of liability insurance to their descriptions. Write the correct letters in the blanks.

A. Medical payments
B. Property liability
C. Personal liability

_____ 1. Protects the insured against claims arising from bodily injury to others or damage to property of others; no claim is paid by the insurance company unless it has been established that the insured is legally liable

_____ 2. Protect the homeowner from accidental injury claims of others arising from actions of the homeowner's family members or pets either on or off the homeowner's property; payment is made regardless of who is at fault

_____ 3. Pays for minor damages to property accidentally caused by any member of the insured family; payment is made regardless of who is at fault

OBJECTIVE 7

Match parts of a property insurance policy to their descriptions. Write the correct letters in the blanks.

A. Exclusions
B. Endorsements
C. Declarations
D. Coverage
E. Insuring agreement
F. Conditions
G. Definitions

_____ 1. Listing of personal information that is given when applying for the policy; gives the length of time the policy covers and the maximum payment the company will make under each coverage; describes the property that is insured

_____ 2. Company's promise to pay any losses covered by the policy

_____ 3. Listing of perils for which the company will not pay

_____ 4. Clarification of the rights and obligations of the company and the policyholder

_____ 5. Any additions made to the contract

_____ 6. Information as to what the policy will cover

_____ 7. Information about the terms found in the policy

May be photocopied for student use.

OBJECTIVE 8

Evaluated on Assignment Sheet 2.

OBJECTIVE 9

Select from a list factors that determine the cost of property insurance. Write an "X" in the blank before each correct answer.

____ 1. Number of claims made to the insurance company

____ 2. Color of the paint used inside the home

____ 3. Access to adequate fire protection

____ 4. Materials used in construction

____ 5. Type of wood used to build the cabinets

____ 6. Length of time the policy covers

____ 7. Deductible clauses

____ 8. Replacement value of the home

____ 9. Number of dependents

OBJECTIVE 10

Evaluated on Assignment Sheet 3.

OBJECTIVE 11

List purposes of having a household inventory. List four purposes in the blanks.

- ____
- ____
- ____
- ____

May be photocopied for student use.

OBJECTIVE 12

Select from a list guidelines for making a household inventory. Write an "X" in the blank before each correct answer.

_____ 1. List each item.

_____ 2. Indicate the color and size.

_____ 3. Indicate who purchased the item.

_____ 4. Keep the inventory up-to-date.

_____ 5. Indicate the date the item was purchased.

_____ 6. Indicate in which state the item was purchased.

_____ 7. Indicate the original purchase price.

_____ 8. Indicate the quantity of each item.

_____ 9. Indicate the room where the item is located.

OBJECTIVE 13

Evaluated on Assignment Sheet 4.

May be photocopied for student use.

ASSIGNMENT SHEETS

OBJECTIVE 2

Assignment Sheet 1

Evaluated to the satisfaction of the instructor

OBJECTIVE 8

Assignment Sheet 2

Part 1

1. May 2, 1996, to May 2, 1997
2. S.E. 10.68 acres of lot 8, section 27, 3N, 8E, 1 ¼ miles from the town of Anywhere, Oklahoma
3. a. $48,000
   b. $4,800
   c. $24,000
   d. $9,600
   e. $50,000
   f. $1,000
4. J. J. McLoughlin
5. 1987
6. Frame
7. 30 feet
8. 1¼ miles

Part 2

1. Materials and supplies located on or adjacent to the residence premises for use in the construction, alteration, or repair of the dwelling or other structures on the residence premises

2. Structures used in whole or in part for business purposes or those structures rented or held for rental to any person not a tenant of the dwelling, unless used solely as a private garage

3. Answers should include any seven of the following:

    a. Articles separately described and specifically insured in this or any other insurance

    b. Animals, birds, or fish

    c. Motorized land vehicles except those used to service an insured's residence but which are not licensed for road use

    d. Any device or instrument, including any accessories or antennas, for transmitting, recording, receiving, or reproduction of sound which is operated by power from the electrical system of a motor vehicle, or tape, wire, record, disc or other medium for use with such device or instrument while any of this property is in or upon a motor vehicle

    e. Aircraft and parts

    f. Property of roomers, boarders, and other tenants, except property of roomers and boarders related to any insured

    g. Property contained in an apartment regularly rented or held for rental to others by any insured

    h. Property rented or held for rental to others away from the residence premises

    i. Business property in storage or held as a sample or for sale or delivery after sale

    j. Business property pertaining to a business actually conducted on the residence premises

    k. Business property away from the residence premises

4. Loss or expense due to cancellation of a lease or agreement

5. Answer should include any four of the following:

    a. Debris removal

    b. Reasonable repairs

    c. Trees, shrubs, and other plants

    d. Fire department service charge

   - e. Property removed
   - f. Credit card, forgery, and counterfeit money

6. Answer should include any 12 of the following:
   - a. Fire or lightning
   - b. Windstorm or hail
   - c. Explosion
   - d. Riot or civil commotion
   - e. Aircraft
   - f. Vehicles
   - g. Smoke
   - h. Vandalism or malicious mischief
   - i. Theft
   - j. Breakage of glass or safety glazing material
   - k. Falling objects
   - l. Weight of ice, snow, or sleet
   - m. Collapse of a building or any part of a building
   - n. Accidental discharge or overflow of water or steam
   - o. Sudden and accidental tearing apart, cracking, burning, or bulging of a steam or hot water heating system, an air conditioning system, or an appliance for heating water
   - p. Freezing of a plumbing, heating or air conditioning system, or of a household appliance
   - q. Sudden and accidental damage from artificially generated electrical current

7. Answer should include any five of the following:
   - a. Ordinance or law
   - b. Earth movement
   - c. Water damage
   - d. Power interruption

    e. Neglect

    f. War

    g. Nuclear hazard

Part 3

1. The insurance company

2. Three years

Part 4

1. By returning the policy or by notifying the insurance company in writing of the date cancellation is to take effect

2. Answer should include the following:

    a. When insured has not paid the premium

    b. When policy has been in effect less than sixty days and is not a renewal, company may cancel for any reason

    c. If insured has misrepresented facts or if risk has changed substantially

    d. If policy is written for more than one year, the company may cancel for any reason at anniversary

OBJECTIVE 10

Assignment Sheet 3

Evaluated to the satisfaction of the instructor

OBJECTIVE 13

Assignment Sheet 4

Evaluated to the satisfaction of the instructor

WRITTEN TEST

OBJECTIVE 1

1. D
2. F
3. B
4. G
5. A
6. E
7. H
8. C
9. I

OBJECTIVE 2

Evaluated on Assignment Sheet 1.

OBJECTIVE 3

Answer should include any three of the following:

- Home and contents
- Appurtenant structures
- Other personal property
- Personal liability

OBJECTIVE 4

Answer should include any seven of the following:

- Package policy
- Liability
- Fire and contents of the structure
- Flood
- Crime
- Earthquake
- Extended coverage
- Additional living expense
- Renter

OBJECTIVE 5

2, 3, 5

OBJECTIVE 6

1. C
2. A
3. B

OBJECTIVE 7

1. C
2. E
3. A
4. F
5. B
6. D
7. G

OBJECTIVE 8

Evaluated on Assignment Sheet 2.

OBJECTIVE 9

1, 3, 4, 6, 7, 8

OBJECTIVE 10	**Evaluated on Assignment Sheet 3.**
OBJECTIVE 11	Answer should include any four of the following: • Planning how much insurance to carry • Determining net worth • Proving ownership and loss • Filing a claim • Planning future needs and spending
OBJECTIVE 12	1, 4, 5, 7, 8, 9
OBJECTIVE 13	**Evaluated on Assignment Sheet 4.**

OBJECTIVE SHEET

WILLS AND FUNERALS

6

INTRODUCTION

Two of the most important steps in managing your personal matters are writing your will and planning your funeral. These actions help ensure that your estate and your body are disposed of as you wish. In this unit you will learn about estate planning, selecting funeral services, and writing a letter of last instruction.

UNIT OBJECTIVE

After completing this unit, you will show the following competencies by mastering the activities on the Assignment Sheets and by scoring at least 85% on the Written Test.

SPECIFIC OBJECTIVES

1. Match terms associated with wills and funerals to their correct definitions.
2. List aids in estate planning.
3. State facts about wills.
4. List reasons for having a will.
5. Discuss consequences of dying without a will.
6. Distinguish between advantages and disadvantages of wills.
7. Evaluate your personal need for a will. (Assignment Sheet 1)
8. Select from a list information needed before writing a will.
9. Discuss the advantages of a living will.
10. List ways to avoid losing assets after the death of a family member.
11. Select from a list facts about prefinanced funerals.
12. List guidelines for selecting a funeral director.

13. Select from a list financial information a funeral director should provide families.

14. Select from a list tasks associated with a funeral or other final service.

15. Discuss ways to put a body to rest.

16. List points to consider when selecting a cemetery lot or mausoleum crypt.

17. Select from a list information that should be included in a letter of last instruction.

18. Write a letter of last instruction. (Assignment Sheet 2)

SUGGESTED ACTIVITIES

WILLS AND FUNERALS

6

PREPARATION

- Review the unit and plan your presentation.
- Determine the scope and sequence of objectives you add. Design and develop support materials, including evaluation techniques for additional objectives.
- Review the teaching suggestions, and plan classroom activities.
- Determine how you will schedule time for students to demonstrate competence in the required procedures.
- Order materials to supplement the unit.
- Order videos.
- Invite guest speakers.

  ☑ **NOTE:** Please provide the guest speaker with the specific topic relevant to the unit of instruction ahead of time. You may want to supply the Objective Sheet, Information Sheet, and any other components you want the speaker to cover. Confirm the scheduled appearance two to three days prior to the presentation.

DELIVERY

☑ **NOTE:** Approximately four weeks before the unit is taught, have the students write letters to the following organizations asking for their educational materials related to wills and/or funerals. Have the students use the school address when writing the return address for the letters; this will prevent the information from being lost at the students' homes. Have the students share the information that they receive with the class at appropriate points during the unit.

- American Cemetery Association
  3 Skyline Place, Suite 1111
  5201 Leesburg Pike
  Falls Church, VA 22041

- Associated Funeral Directors Service
  P.O. Box 23023
  St. Petersburg, FL 33742

- Casket Manufacturers Association of America
  708 Church Street
  Evanston, IL 60201

- Cremation Association of America
  401 N. Michigan Ave.
  Chicago, IL 60611

- Monument Builders of North America
  1740 Ridge Ave.
  Evanston, IL 60201

- National Foundation of Funeral Service
  2250 E. Devon Ave., Suite 250
  Des Plaines, IL 60018

- National Funeral Directors Association
  1121 W. Oklahoma Ave.
  Milwaukee, WI 53227-4096

- National Funeral Directors and Morticians Association
  1800 E. Linwood
  Kansas City, MO 64109

Objective 1: Match terms associated with wills and funerals to their correct definitions.

- Stress the importance of this unit because the topic will eventually affect everyone.

- Use Information Sheet, objective 1 to introduce terms related to wills and funerals.

Objective 2: List aids in estate planning.

- Use Information Sheet, objective 2 to suggest provisions which assist in estate planning.

Objective 3: State facts about wills.

- Use Information Sheet, objective 3 to present facts about wills.

Objective 4: List reasons for having a will.

- Use Information Sheet, objective 4 to introduce reasons for having a will.

Objective 5: Discuss consequences of dying without a will.

- Introduce this topic by reading case studies of situations in which people's wishes were not carried out because they died without wills.
  - ☐ Ann and Bill have no children, but make a home for Bill's father who sacrificed to get his son through medical school. Ann has agreed that the older man will continue to have a place to live, no matter what. Unfortunately, Bill and Ann are both killed in a car crash, with Ann surviving Bill by a few days. Without a will, ownership of everything passed first to Ann and then to her relatives, including cousins she has never known. Bill's father will receive nothing and no longer has a home.
  - ☐ Charlie and his first wife had two children to whom he gives whatever time and money he can spare from his current family responsibilities, which include the raising of the three stepchildren he acquired when he married a second time. His current spouse resents the members of his first family because of the drain on the family's budget they present. One day Charlie dies. Under a joint ownership arrangement, everything goes to the second wife, and the support to the children of the first marriage stops. Then if the second wife dies without a will, the estate passes entirely to her children, and Charlie's children get nothing.
- Use Information Sheet, objective 5 to point out consequences of dying without a will.
- Use the Transparency to show how a person's property descends if he or she dies without a will.

Objective 6: Distinguish between advantages and disadvantages of wills.

- Use Information Sheet, objective 6 to contrast the advantages and disadvantages of wills.

Objective 7: Evaluate your personal need for a will. (Assignment Sheet 1)

- Have a class discussion about the need for a will before the students complete Assignment Sheet 1.

- Help the students list personal items that they own on the form provided in Assignment Sheet 1.

Objective 8: Select from a list information needed before writing a will.

- Use Information Sheet, objective 8 to discuss information needed before writing a will.

- Have the students share information about wills which they received in response to their earlier written requests to organizations connected with the funeral industry.

- Show sample copies of wills, and allow the students to examine them. Point out the importance of having a will signed by two witnesses.

- Have the students prepare necessary information as if they were going to their attorney to have a will written.

- Invite an attorney to speak to the students about the importance of wills and ways to prepare legal wills.

Objective 9: Discuss the advantages of a living will.

- Hand out Supplement 1, and explain that a living will states that if the signee should have an incurable, irreversible condition caused by injury, disease or illness, the signee wishes to die naturally. Doctors are not to use life-sustaining procedures or medications.

- Use Information Sheet, objective 9 to discuss the advantages of a living will.

Objective 10: List ways to avoid losing assets after the death of a family member.

- Share with the students news or magazine articles on how people have lost their assets or inheritance, and discuss reasons why people lose their money.

- Use Information Sheet, objective 10 to point out ways to avoid losing assets after the death of a family member.

Objective 11: Select from a list facts about prefinanced funerals.

- Point out that when a person dies, inevitably it is a difficult time for those close to the person; trauma can be minimized by a skillful handling of final arrangements.

- Obtain pamphlets from a local funeral home as to the type of prefinanced plan offered. Allow the students to decide whether or not to buy the plan and give their reasons.

- Discuss memorial societies as an alternative to a prepayment plan. Generally, members pay a small yearly fee to belong to a society associated with a particular funeral home. When the need arises, members may purchase goods or services from that funeral home at a reduced price. From the funeral director's point of view, memorial societies guarantee group business from people who frequently are not interested in traditional, expensive funerals. The yearly membership fees help offset the discount offered to members. From the member's point of view, the group's buying power provides considerable financial savings.

- Discuss sales techniques used in casket display rooms of funeral homes. For example, a funeral director may show a very inexpensive casket first, then an elegant and expensive one, and finally one just above the desired price range. This technique leads the family members, who may be feeling that this is their last chance to do something nice for the deceased, into paying just a bit more for a casket than they had anticipated. Usually plain pine coffins are not in the showroom, nor will they be mentioned unless someone specifically asks about one.

  ☑ **NOTE:** Many times a family selects an expensive casket to impress friends or relatives; in churches that use a pall over the casket, the mourners do not see the casket during the funeral.

- Use Information Sheet, objective 11 to discuss facts about prefinanced funerals.

Objective 12: List guidelines for selecting a funeral director.

- Have the students share the information about funerals which they received in response to their earlier written requests to organizations connected with the funeral industry.

- Arrange a study tour to a funeral home. Be sure that the students see each part of the funeral home.

- Invite a funeral director to speak to the students about the services offered and choices provided for planning funerals.

Objective 13: Select from a list financial information a funeral director should provide families.

- Use Information Sheet, objective 13 to discuss financial information which should be available to families.

- Discuss the embalming process and other preparations of the body for display such as wiring the jaw shut, padding the inside of mouth, shampooing and setting hair, applying makeup (to men and women), or doing whatever is necessary to achieve what is called *normalization* of the body.

- Obtain from a funeral director a sample itemized list of prices for merchandise and services that can be purchased from a funeral home.

- Have one or more students interview a funeral director using the questions on Supplement 2, Funeral Services and Prices, and report the findings to the class.

Objective 14: Select from a list tasks associated with a funeral or other final service.

- Use Information Sheet, objective 14 to discuss the many tasks associated with a final service.

Objective 15: Discuss ways to put a body to rest.

- Use Information Sheet, objective 15 to discuss ways to put a body to rest.

- Discuss *cryonics* as an alternative to traditional ways of putting a body to rest; bring up problems associated with the attempts thus far.

  ☑ **NOTE:** Cryonics is the practice of freezing a dead body until a time when science can cure the disease or condition that caused death.

Objective 16: List points to consider when selecting a cemetery lot or mausoleum crypt.

- Use Information Sheet, objective 16 to cover points to consider when selecting a lot or crypt.

- Obtain prices and regulations for cemeteries in your area, and share these with the students.

Objective 17: Select from a list information that should be included in a letter of last instruction.

- Use Information Sheet, objective 17 to discuss the information that should be part of a letter of last instruction.

- Emphasize the benefits of a letter of last instruction to the family members who have to plan final arrangements.

Objective 18: Write a letter of last instruction. (Assignment Sheet 2)

- Have the students complete Assignment Sheet 2.

- Have the students write their own obituaries, leaving the date, place, and cause of death blank. Encourage the students to attach this to their letter of last instruction.

EVALUATION

Pretest

- Give the Written Test as a pretest.

- Determine individual study requirements from pretest results.

- Counsel students individually on pretest results and study requirements.

- Modify materials in the unit or create supplementary materials for individual students as required.

Skill Test

- Evaluate students on Assignment Sheet activities if not previously done.

- Reteach and reevaluate if necessary.

- Modify materials in the unit or create supplementary materials for individual students as required.

Written Test

- Explain to students that they will be asked to demonstrate on the Written Test actions listed in the specific objectives.

- Give the Written Test.

  ☞ **NOTE:** The Written Test may be given in sections if desired.

- Reteach and retest if necessary.

- Review individual and group performance in order to evaluate teaching methods. Adjust the scope, sequence, or instructional approaches for additional lessons as required.

SUGGESTED RESOURCES

Print Media

- Appel, Jens C., III and F. Bruce Gentry. *The Complete Probate Kit.* New York: John Wiley and Sons, Inc., 1991.

- Brosterman, Robert and Kathleen Adams. *The Complete Estate Planning Guide.* New York: A Mentor Book, Penguin Books USA, 1987.

- Clifford, Denis. *Simple Will Book: How to Prepare a Legally Valid Will.* Berkeley, CA: Nolo Press, 1989.

- Dowd, Merle E. *Estate Planning Made Simple.* New York: Doubleday, 1991.

- Howell, John C. *How to Write Your Own Will.* Cockeysville, MD: Liberty Publishing Company, Inc., 1985.

- Lucal, Jane B. *Estate Planning: A View from the Bench.* Sandusky, OH: Pro Publishing, Inc., 1994.

- Matthews, Wayne, Ph.D. *Death and Dying.* Oklahoma State University Cooperative Extension Fact Sheet, T-2132. Stillwater, OK: Cooperative Extension Service, Oklahoma State University, n.d.

- Pladsen, Carol and Denis Clifford. *Your Family Records.* Berkeley, CA: Nolo Press, 1984.

- *Probating an Estate.* Oklahoma City: Oklahoma Bar Association, 1993.

- Starr, Herbert F. *Estate Planning Made Easy,* 2d ed. Blue Ridge Summit, PA: TAB Books, Inc., 1989.

- Stock, Barbara A. *It's Easy to Avoid Probate.* Winter Park, FL: Linch Publishing, Inc., 1985.
- Tillman, Fred and Susan G. Parker. *Your Will and Estate Planning.* Boston: Houghton Mifflin Company, 1990.

INFORMATION SHEET

WILLS AND FUNERALS

6

OBJECTIVE 1

Match terms associated with wills and funerals to their correct definitions.

- **annuity** – investment that systematically pays out benefits, usually over an extended period
- **cremation** — act of burning a dead body to ashes

  ☑ **NOTE:** Cremation can be as costly as an earth burial or it can be less expensive, depending on the container used in the cremation chamber. Crematorium policies sometimes require the use of a casket, which may or may not be expensive; usually the policies require only a "suitable container," which may be fairly inexpensive.

- **embalming** — introducing disinfectant and preservative chemicals into the arterial system of a dead body, removing the contents of the veins
- **estate** – all of a deceased person's property and debts
- **estate planning** – determining before death how all the property will be distributed and the debts paid; aids in reducing probate expenses and tax losses
- **executor** — person appointed by the maker of the will to carry out the provisions and directions of the will

  ☑ **NOTE:** The maker of the will is called the *testator*. Someone who dies without making a will dies *intestate.*

- **funeral** — ceremony during which relatives, friends, and associates pay their respects to the deceased and comfort the survivors

  ☑ **NOTE:** Local customs often dictate the type of final service held. Types of services include funeral, memorial, and graveside services.

- **mausoleum** — usually an impressive, almost churchlike building that contains a series of vaults called *crypts* for the entombment of bodies and niches for the placement of urns

- **minor children** — individuals under the age of 18

- **pallbearer** – person who carries or attends a casket at a funeral

- **probate** – the process of legally establishing the validity of wills

- **trust** – legal document that facilitates the transfer of property and/or the income from that property to another party

- **will** — legal statement of a person's wishes concerning the disposal of his or her property after death

OBJECTIVE 2

List aids in estate planning.

- Annuities

- Life insurance

- Trusts

- Wills

- Household and property inventories

OBJECTIVE 3

State facts about wills.

- Have no force or effect until the maker dies

- Control only the property individually owned by the maker of the will

- Do not become effective immediately upon the death of the maker

  ☑ **NOTE:** A will must first be proven official and admitted to the courts. Because of this, those wishes which need to be carried out immediately upon the death of the maker of the will should be left out and entrusted to a friend or relative. An individual should review his or her will yearly.

OBJECTIVE 4

List reasons for having a will.

- Distributes your assets as you wish
- Reduces the cost and time for settling the estate
- Names an executor of the will
- Names a guardian for minor children

  ☑ **NOTE:** This provides someone you trust and like to care for your minor children.

- Establishes trust funds

  ☑ **NOTE:** A trust fund is established in a will to ensure the security of the beneficiaries. The money or property is left to an institution or person, who administers the income from the property or money in accordance to the instructions in the will.

- Minimizes family quarrels over the deceased's property

OBJECTIVE 5

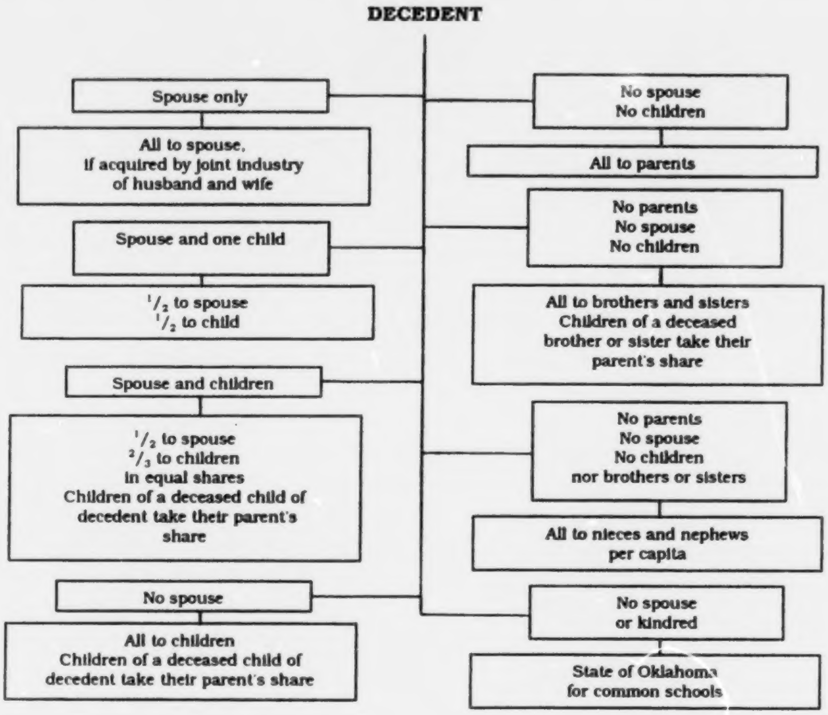
Discuss consequences of dying without a will.

- State law determines how your assets will be distributed.

  ☑ **NOTE:** Every state has laws that govern the estates of deceased persons. If you fail to provide a will, the state will distribute your property according to law. In most cases, assets of minor children go to their parents.

Laws of Descent and Distribution

The following shows how a person's property descends if he or she dies without a will. (Exceptions will occur.)


DECEDENT
Spouse only
All to spouse, if acquired by joint industry of husband and wife
Spouse and one child
$^{1}/_{2}$ to spouse $^{1}/_{2}$ to child
Spouse and children
$^{1}/_{2}$ to spouse $^{2}/_{3}$ to children in equal shares Children of a deceased child of decedent take their parent's share
No spouse
All to children Children of a deceased child of decedent take their parent's share
No spouse No children
All to parents
No parents No spouse No children
All to brothers and sisters Children of a deceased brother or sister take their parent's share
No parents No spouse No children nor brothers or sisters
All to nieces and nephews per capita
No spouse or kindred
State of Oklahoma for common schools

- *Courts* will appoint an executor of your estate.

  🗹 **NOTE:** This might be someone you trust, or someone you distrust.

- *Courts* will appoint a guardian for your minor children.

  🗹 **NOTE:** This could be someone you like, or it could be the last person you would want to care for your children.

- It may *cost more* to settle your estate, and your family may *receive less*.

OBJECTIVE 6 **Distinguish between advantages and disadvantages of wills.**

- Advantages
  - ☐ Leaves full control of the property with the owner until death
  - ☐ Permits the owner to distribute property to meet needs and wants
  - ☐ Can be changed if conditions make it necessary
  - ☐ May offer tax advantages
- Disadvantages
  - ☐ Fails to carry out the owner's wishes if improperly planned
  - ☐ Permits the owner to direct the use of the property for many years after death

    ☑ **NOTE:** This sometimes causes hardships to heirs burdened by changing economic and family circumstances.

OBJECTIVE 7 **Complete Assignment Sheet 1.**

OBJECTIVE 8 **Select from a list information needed before writing a will.**

☑ **NOTE:** If you have anything of value, you should have a will. Wills may be simple or complex. Although a handwritten will is legal, it may be very important for you to engage a lawyer to help you translate your requests into legally binding language so your intent is not questioned.

- Complete listing and description of property, cash, and investments owned

  ☑ **NOTE:** Although debts (their nature and extent) will not be listed in the will, they have to be paid.

- Name of an executor to handle the estate
- Name of a guardian for minor children
- List of locations of all important documents

- Names of all children and their birthdates
- Names of beneficiaries and what you want them to receive from the estate

OBJECTIVE 9

Discuss the advantages of a living will.

- Protects terminally ill or injured persons from suffering through prolonged medical treatments
- Reduces extensive medical costs to the family
- Reduces grieving time of the family members
- Relieves family members from having to make decisions regarding the use or continued use of life-support systems
- Gives the signee control of his or her life

☑ **NOTE:** A person must be at least 18 years old to complete a living will.

OBJECTIVE 10

List ways to avoid losing assets after the death of a family member.

- Beware of high-pressure promoters and swindlers.

  ☑ **NOTE:** These people read the obituary notices and gather information about the family's financial standing. They may have considerable information, possibly posing as a business friend of the deceased. Payment should not be paid to anyone saying that the deceased owed money without proof.

- Be careful of advice given by personal friends and relatives.

  ☑ **NOTE:** Their intentions are good, but you need help from people who have full information and the background to advise you.

- Do not make an investment of any sort until advice from an independent expert is obtained.

☑ **NOTE:** This means do not buy securities, make loans, convert insurance policies, or make investments. The people that you want to consult after a death are your banker, lawyer, investment counselor, accountant, and life insurance agent. It may be necessary to get second opinions.

OBJECTIVE 11

Select from a list facts about prefinanced funerals.

- Individuals can arrange the type of funeral desired.
- Surviving family members will not have to make major decisions.

  ☑ **NOTE:** The price of the funeral service you desire is already established. This prevents overspending by your family.

- Payment is put into a trust fund account.

  ☑ **NOTE:** This protects the money for the individual. The account is regulated by state law. The individual should obtain proof from the bank that the funeral home director did in fact deposit his or her money into the trust fund account.

- Funds can be used for another family member's final arrangements if the need arises.
- Funds may be transferable to another funeral home.

  ☑ **NOTE:** Each state has its own laws governing prefinanced funeral funds.

OBJECTIVE 12

List guidelines for selecting a funeral director.

☑ **NOTE:** Some bereaved families are uninformed and emotionally upset, making them easy prey to that minority of funeral directors who engage in high-pressure sales tactics, misrepresentations, switching of merchandise, and price gouging. The best safeguard against those individuals is to form a preference for a reputable funeral director calmly and intelligently in advance of need.

- Seek advice from a minister, priest, or rabbi.

  ☑ **NOTE:** The clergy conduct many funerals and are knowledgeable about the reputation of funeral directors.

- Obtain information from the Better Business Bureau.

- Check that the director has a good reputation and character.

- Check that the director is a member of professional organizations.

  EXAMPLE: National Funeral Directors Association, National Funeral Directors and Morticians Association

  ☑ **NOTE:** If the director is a member of a professional organization for funeral directors, the director has accepted an obligation to adhere to a fundamental code of ethics.

- Check the funeral home facilities and staff to determine if they can give you the services you need.

OBJECTIVE 13

Select from a list financial information a funeral director should provide families.

- Price charged for getting the body ready for burial and display

  EXAMPLE: Embalming, use of the funeral home for viewing the body by friends and relatives

- Price of the service that has been selected and what is included

- Price of each additional item of service and merchandise requested

  EXAMPLE: Charges for the use of a hearse and car for the family

- Amount of monies for items the funeral director will advance to accommodate the family

  EXAMPLE: Cemetery charges, transporting the body to another town or state, ordering flowers, death notices in the newspaper

OBJECTIVE 14

Select from a list tasks associated with a funeral or other final service.

☑ **NOTE:** Funeral services differ, depending upon personal preference. The funeral director will help with many of these details, as well as many other aspects of the funeral, such as arranging for display and transportation of floral tributes, recording names of visitors, transportation of the family and pallbearers, and filing the death certificate. The director can also assist with completing forms to receive such benefits as those a veteran would receive.

- Select the general type of service.

  EXAMPLE: Funeral, memorial, or graveside service

- Select the method of disposing of the body.

  EXAMPLE: Earth burial, cremation, donation to science

- Select and notify a funeral director.

- Select the time and place of the service.

  EXAMPLE: Evening service in a funeral home or church

- Notify the clergy.

- Notify relatives and friends.

- Provide information for the newspaper obituary.

- Select the place of interment and make arrangements for the opening and closing of the grave or crypt.

- Plan the service.

  EXAMPLE: Select eulogist; select readings such as Scripture, poetry, or other passage that was meaningful to the deceased; select music, organist, and soloist; contact lodge or military officials for any special ceremonies; for a funeral, decide whether the casket will be open or closed, and select pallbearers.

- Choose a container for the remains of the deceased.

  EXAMPLE: Coffin, casket and outside receptacle, urn

  ☑ **NOTE:** Many cemeteries require a burial vault of metal or concrete around a casket to prevent the ground from sinking above the casket.

- Select suitable clothing for the deceased if the body will be displayed or if the funeral will be an open-casket service.

- Decide whether personal items will be interred with the body.

  EXAMPLE: Wedding ring, eyeglasses, artificial limb, gold fillings

- Select a marker, headstone, or monument.

  ☑ **NOTE:** Many cemeteries regulate the size or style of markers; for example, some areas allow only flat markers.

- Arrange for payment of the funeral director's expenses and other associated costs.

  ☑ **NOTE:** Notify insurance companies to start processing papers for payment of claims.

- Write thank-you notes and acknowledgements.

  ☑ **NOTE:** Send notes to those who did special acts of kindness such as sending flowers.

OBJECTIVE 15

Discuss ways to put a body to rest.

- Earth burial

  ☑ **NOTE:** This method is the most popular method in many areas.

- Cremation

  ☑ **NOTE:** Human remains within a casket or other suitable container are placed in a cremation chamber where heat is applied with flames from a series of oil or gas jets. The intense heat and evaporation reduces the body to small bone fragments and ashes. Metal casket parts are removed from the ashes with the use of a strong magnet. The ashes, or remains, are then placed in a container and given to the family. The remains may be buried, scattered, or interred in an urn kept at home or placed in a mausoleum urn vault or niche.

- Placement in a mausoleum

- Willing the body to science

☑ **NOTE:** The body can be willed to a medical school even if designated organs are donated. Unless the agreement specifies other plans, the medical school usually notifies the deceased person's family when the school is through with the body; it is then the family's responsibility to pick up the remains for burial, cremation, or placement in a mausoleum.

OBJECTIVE 16

List points to consider when selecting a cemetery lot or mausoleum crypt.

- Is the cemetery or mausoleum operated by a reputable person or group?

  ☑ **NOTE:** Beware of professional promoters who drift from town to town, leaving dissatisfaction behind.

- Is the cemetery lot or mausoleum crypt actually located where drawings or pictures specify?
- Does the cemetery or mausoleum have rules about the type of monument or marker used?

  ☑ **NOTE:** Many of the newer memorial gardens allow only grave markers flush with the ground.

- Are the opening and closing of the grave or crypt included in the price of the lot?

  ☑ **NOTE:** One should ask if the use of the equipment for opening and closing the grave or vault is included in the price.

OBJECTIVE 17

Select from a list information that should be included in a letter of last instruction.

- Instructions about the donation of organs
- Instructions about any funeral or memorial service

  EXAMPLE: Pallbearers or casketbearers, music to be used, church or funeral chapel, clergy

- Instructions about the disposal of the body

  EXAMPLE: Place for burial, preference for cremation

- List of survivors and friends who should be contacted

  ☑ **NOTE:** Include addresses and telephone numbers.

- Date the letter was prepared

- Information needed for the death certificate

  EXAMPLE: Full name, birthplace, birthdate, occupation, social security number, place of interment, mother's maiden name

- Biographical information

  ☑ **NOTE:** This information is helpful in preparing an obituary.

  EXAMPLE: Schools attended, occupations, memberships in organizations

- List and location of insurance policies and their numbers

- Pension statements and records concerning death benefits

- Information about lodge or fraternal membership certificates

  ☑ **NOTE:** These could provide death or cemetery benefits.

- Exact location of the will

- List of names and addresses of various advisors

  EXAMPLE: Lawyers, executors of your estate, life insurance agent, accountant, investment counselor

- Information on all outstanding debts

- List and location of all property owned

- List and location of all checking and savings accounts

- Location of all other documents

  EXAMPLE: Birth certificates, social security card, marriage/divorce papers, military discharge papers, auto registration

- Indication that the letter of last instruction is not a request, but a desire

  ☑ **NOTE:** The person arranging the funeral could have guilt feelings if every request of the deceased is not fulfilled.

OBJECTIVE 18 **Complete Assignment Sheet 2.**

Oklahoma's Living Will Form

INTRODUCTION

A living will states that if the signee should have an incurable, irreversible condition caused by injury, disease, or illness, the signee wishes to die naturally. Doctors are not to use life-sustaining procedures or medications.

INSTRUCTIONS

Review the following sample of Oklahoma's form for the living will and discuss in class its advantages.

Advance Directive for Health Care

I, ________________________________, being of sound mind and eighteen (18) years of age or older, willfully and voluntarily make known my desire, by my instructions to others through my living will, or by my appointment of a health care proxy, or both, that my life shall not be artificially prolonged under the circumstances set forth below. I thus do hereby declare:

I. Living Will

a. If my attending physician and another physician determine that I am no longer able to make decisions regarding my medical treatment, I direct my attending physician and other health care providers, pursuant to the Oklahoma Rights of the Terminally Ill or Persistently Unconscious Act, to withhold or withdraw treatment from me under the circumstances I have indicated below by my signature. I understand that I will be given treatment that is necessary for my comfort or to alleviate my pain.

b. If I have a terminal condition:

   (1) I direct that life sustaining treatment shall be withheld or withdrawn if such treatment would only prolong my process of dying, and if my attending physician and another physician determine that I have an incurable and irreversible condition that even with the administration of life-sustaining treatment will cause my death within six (6) months.

   ____

   (signature)

May be photocopied for student use.

(2) I understand that the subject of the artificial administration of nutrition and hydration (food and water) that will only prolong the process of dying from an incurable and irreversible condition is of particular importance. I understand that if I do not sign this paragraph, artificially administered nutrition and hydration will be administered to me. I further understand that if I sign this paragraph, I am authorizing the withholding or withdrawal of artificially administered nutrition (food) and hydration (water).

____

(signature)

(3) I direct that (add other medical directives, if any) ______________________________

____

____

(signature)

c. If I am persistently unconscious:

(1) I direct that life sustaining treatment be withheld or withdrawn if such treatment will only serve to maintain me in an irreversible condition, as determined by my attending physician and another physician, in which thought and awareness of self and environment are absent.

____

(signature)

(2) I understand that the subject of the artificial administration of nutrition and hydration (food and water) for individuals who have become persistently unconscious is of particular importance. I understand that if I do not sign this paragraph, artificially administered nutrition and hydration will be administered to me. I further understand that if I sign this paragraph, I am authorizing the withholding or withdrawal of artificially administered nutrition (food) and hydration (water).

____

(signature)

(3) I direct that (add other medical directives, if any) ______________________________

____

____

____

(signature)

May be photocopied for student use.

II. My Appointment of My Health Care Proxy

a. If my attending physician and another physician determine that I am no longer able to make decisions regarding my medical treatment, I direct my attending physician and other health care providers pursuant to the Oklahoma Rights of the Terminally Ill or Persistently Unconscious Act to follow the instructions of ______________________ whom I appoint as my health care proxy. If my health care proxy is unable or unwilling to serve, I appoint ______________________ as my alternate health care proxy with the same authority. My health care proxy is authorized to make whatever medical treatment decisions I could make if I were able, except that decisions regarding life sustaining treatment can be made by my health care proxy or alternate health care proxy only as I indicate in the following sections.

b. If I have a terminal condition:

(1) I authorize my health care proxy to direct that life sustaining treatment be withheld or withdrawn if such treatment would only prolong my process of dying and if my attending physician and another physician determine that I have an incurable and irreversible condition that even with the administration of life sustaining treatment will cause my death within six (6) months.

____

(signature)

(2) I understand that the subject of the artificial administration of nutrition and hydration (food and water) is of particular importance. I understand that if I do not sign this paragraph, artificially administered nutrition (food) or hydration (water) will be administered to me. I further understand that if I sign this paragraph, I am authorizing the withholding or withdrawal or artificially administered nutrition and hydration.

____

(signature)

(3) I authorize my health care proxy to (add other medical directives, if any)

____

____

____

____

(signature)

May be photocopied for student use.

c. If I am persistently unconscious:

(1) I authorize my health care proxy to direct that life sustaining treatment be withheld or withdrawn if such treatment will only serve to maintain me in an irreversible condition, as determined by my attending physician and another physician, in which thought and awareness of self and environment are absent.

____

(signature)

(2) I understand that the subject of the artificial administration of nutrition and hydration (food and water) is of particular importance. I understand that if I do not sign this paragraph, artificially administered nutrition (food) and hydration (water) will be administered to me. I further understand that if I sign this paragraph, I am authorizing the withholding and withdrawal of artificially administered nutrition and hydration.

____

(signature)

(3) I authorize my health care proxy to (add other medical directives, if any)

____

____

____

____

(signature)

III. Conflicting Provision

I understand that if I have completed both a living will and have appointed a health care proxy, and if there is a conflict between my health care proxy's decision and my living will, my living will shall take precedence unless I indicate otherwise.

____

(signature)

IV. Other Provisions

a. I understand that if I have been diagnosed as pregnant and that diagnosis is known to my attending physician, this advance directive shall have no force or effect during the course of my pregnancy.

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b. In the absence of my ability to give directions regarding the use of life sustaining procedures, it is my intention that this advance directive shall be honored by my family and physicians as the final expression of my legal right to refuse medical or surgical treatment including, but not limited to, the administration of any life sustaining procedure, and I accept the consequences of such refusal.

c. This advance directive shall be in effect until it is revoked.

d. I understand that I may revoke this advance directive at any time.

e. I understand and agree that if I have any prior directives, and if I sign this advance directive, my prior directives are revoked.

f. I understand the full importance of this advance directive and I am emotionally and mentally competent to make this advance directive.

Signed this ____ day of ________________ , 19___

____

(Signature)

____

City, County, and State of Residence

This advance directive was signed in my presence.

______________________	______________________
(Signature of Witness)	*(Signature of Witness)*
______________________	______________________
(Address)	*(Address)*

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Funeral Services and Prices

INTRODUCTION

Making the decisions necessary for the funeral of a loved one is always difficult, especially when the family is not prepared for the expense. Having a general idea of the procedures, prices, and personnel involved in a funeral will help you be better prepared for making important decisions.

INSTRUCTIONS

Using the following questions, interview a funeral director.

1. What standard services are provided by the funeral home?

2. What services are optional?

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3. Does the price of the funeral include the price for the cemetery lot? ______

   Does the price include opening and closing the grave? ______

   ______

4. What is the price range of a cemetery lot in your area? ______

   ______

5. What is the price range of a funeral in your area? ______

   ______

6. What payment plans are available for paying for funeral costs?

   ______

   What is the interest rate? ______

7. When purchasing a prefinanced funeral, can the director guarantee the exact funeral service that was purchased, including merchandise and service? ______

   ______

   ______

8. What process does one go through when filing a death certificate? ______

   ______

   ______

   ______

9. Does the funeral home have the responsibility of filing the death certificate? ______

   ______

10. Does the funeral home provide facilities for cremation? ______

    ______

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If not, where is this service provided? ____________________

____

11. What licensing is required for the personnel who work in the funeral home? ____________________

____

____

____

12. What arrangements are made for viewing the deceased before the funeral service? ____________________

____

____

____

13. What provisions are made for emergencies during the funeral?

____

____

____

14. What other information would be helpful for a person to know about funeral services, directors, and expenses? ____________

____

____

____

____

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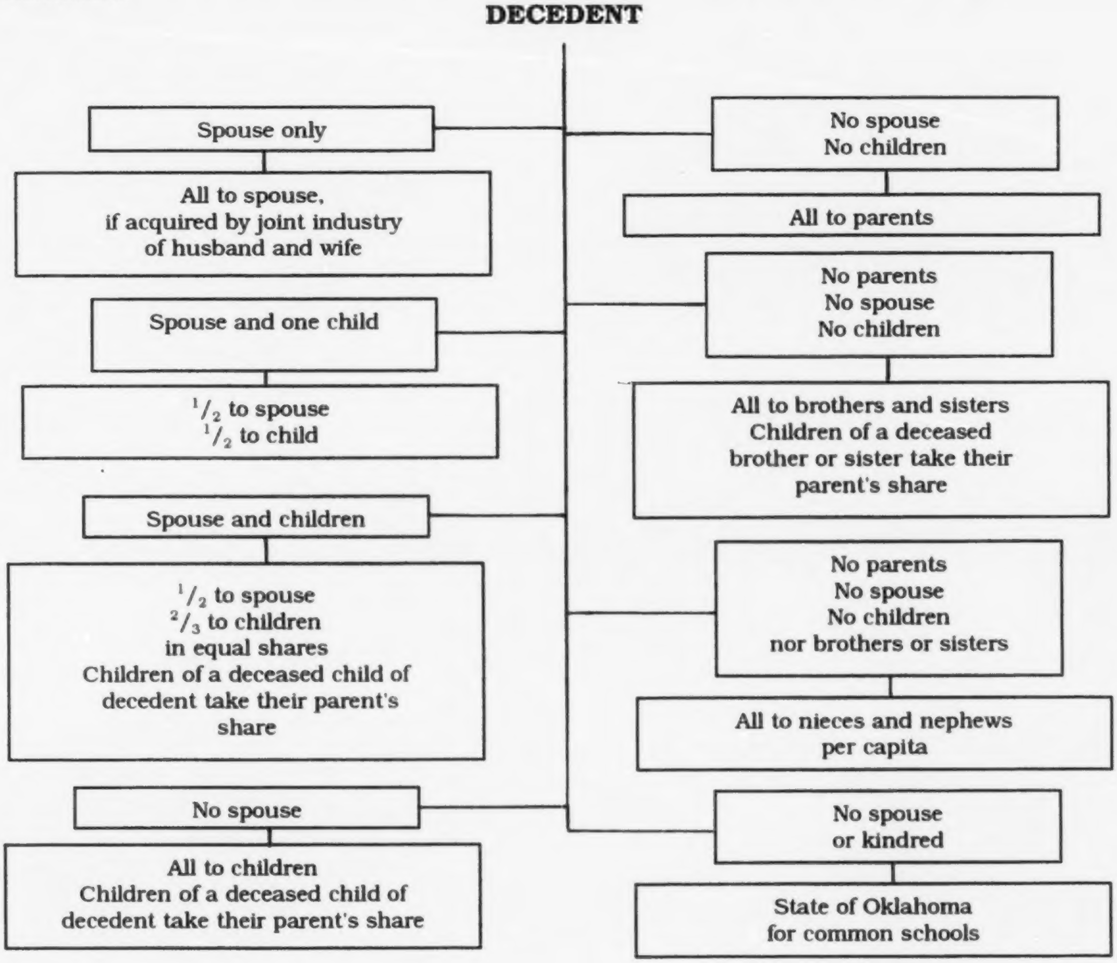
Laws of Descent and Distribution

The following is a general schedule showing examples of how a person's property descends if he or she dies without a will. There are some important exceptions to this schedule.


DECEDENT
Spouse only
All to spouse, if acquired by joint industry of husband and wife
Spouse and one child
$^1/_2$ to spouse $^1/_2$ to child
Spouse and children
$^1/_2$ to spouse $^2/_3$ to children in equal shares Children of a deceased child of decedent take their parent's share
No spouse
All to children Children of a deceased child of decedent take their parent's share
No spouse No children
All to parents
No parents No spouse No children
All to brothers and sisters Children of a deceased brother or sister take their parent's share
No parents No spouse No children nor brothers or sisters
All to nieces and nephews per capita
No spouse or kindred
State of Oklahoma for common schools

- *Courts* will appoint an executor of your estate.

  ☑ **NOTE:** This might be someone that you trust, or someone you distrust.
- *Courts* will appoint a guardian for your minor children.

  ☑ **NOTE:** This could be someone that you like, or it could be the last person you would want to care for your children.
- It may *cost more* to settle your estate, and your family may *receive less.*

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ASSIGNMENT SHEET 1

WILLS AND FUNERALS

6

Name ______________________________ Score __________

OBJECTIVE 7

Evaluate your personal need for a will.

INTRODUCTION

At the time you need a will, it is too late to make one. This may not be a very pleasant thought, but it is true.

It is important to ask for the help of an attorney when preparing a will. But before going to the attorney's office, you will need to know exactly what is in your estate.

The logical way to prepare for the help of an attorney is to make a brief outline of your property and debts. First, you will want to decide what to do with your personal effects, such as your tape player or your gold necklace. Such gifts are deeply prized by those receiving them.

Even though you may not need a will at this time in your life, it is important to know the significance of having a will and to know how you would want your personal things distributed. A will should be kept updated.

INSTRUCTIONS

Language
- Use standard grammar, spelling, and capitalization
- State ideas clearly

Functional Writing
- Complete forms and records

Cognitive Activities
- Collect/record information
- Predict results/outcomes
- Identify/develop alternatives

Determine the need for a will by completing the following chart. Items to be listed are things that you have bought with your own money or things that have been given to you.

ITEM	TO BE GIVEN TO WHOM

ITEM	TO BE GIVEN TO WHOM

ITEM	TO BE GIVEN TO WHOM

1. If someone else had decided what was to be done with your personal items, would they have made the same decisions that you did? ______

   If not, how would the decisions differ? ______

   ______

   ______

2. Do you see the need for a will? ______

   Explain your answer. ______

   ______

   ______

   ______

3. Briefly describe your financial debts. ______

   ______

   ______

   ______

4. How would you like these to be paid from your property?

   ______

   ______

   ______

ASSIGNMENT SHEET 2

WILLS AND FUNERALS

Name ______________________ Score __________

OBJECTIVE 18

Write a letter of last instruction.

INTRODUCTION

One should do as much preplanning for one's own funeral as possible. This may be something you find unpleasant, but it will make things easier on your family and friends. It always makes people feel better if they think your wishes were carried out.

Part of your preplanning should include a letter of last instruction. This letter should not be stored in a safe-deposit box but should be stored in a safe place at your home or with the attorney or executor who handles the settlement of your estate. It is not part of the will, nor does it serve as a will. The letter should be opened upon the death of the individual who wrote the letter.

INSTRUCTIONS

Using your own paper, write a letter of last instruction. This letter should be addressed to the person you think would make your funeral arrangements.

Language
- Use standard grammar, spelling, and capitalization
- State ideas clearly

Functional Writing
- Write instructions
- Write letters

WRITTEN TEST

WILLS AND FUNERALS

6

Name ______________________________ Score __________

OBJECTIVE 1

Match terms associated with wills and funerals to their correct definitions. Write the correct letters in the blanks.

A. funeral
B. pallbearer
C. cremation
D. annuity
E. executor
F. trust
G. will
H. probate
I. mausoleum
J. estate
K. embalming
L. estate planning
M. minor children

_____ 1. Legal statement of a person's wishes concerning the disposal of his or her property after death

_____ 2. Investment that systematically pays out benefits, usually over an extended period

_____ 3. Individuals under the age of 18

_____ 4. Usually an impressive, almost churchlike building that contains a series of vaults called *crypts* for the entombment of bodies and niches for the placement of urns

_____ 5. Legal document that facilitates the transfer of property and/or the income from that property to another party

_____ 6. Ceremony during which relatives, friends, and associates pay their respects to the deceased and comfort the survivors

_____ 7. Person who carries or attends a casket at a funeral

_____ 8. Introducing disinfectant and preservative chemicals into the arterial system of a dead body, removing the contents of the veins

_____ 9. The process of legally establishing the validity of wills

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_____ 10. Act of burning a dead body to ashes

_____ 11. All of a deceased person's property and debts

_____ 12. Person appointed by the maker of the will to carry out the provisions and directions of the will

_____ 13. Determining before death how all of the property will be distributed and the debts paid; aids in reducing probate expenses and tax losses

OBJECTIVE 2 **List aids in estate planning.** List four aids in the blanks.

- ______________________________
- ______________________________
- ______________________________
- ______________________________

OBJECTIVE 3 **State facts about wills.** State three facts in the blanks.

- ______________________________
- ______________________________
- ______________________________

OBJECTIVE 4 **List reasons for having a will.** List four reasons in the blanks.

- ______________________________
- ______________________________
- ______________________________
- ______________________________

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OBJECTIVE 5

Discuss consequences of dying without a will. Include four specific facts in the blanks.

____

____

____

____

____

____

____

____

OBJECTIVE 6

Distinguish between advantages and disadvantages of wills. Place an "A" before the advantages and a "D" before the disadvantages.

_____ 1. Fails to carry out the owner's wishes if improperly planned

_____ 2. Leaves full control of the property with the owner until death

_____ 3. May offer tax advantages

_____ 4. Permits the owner to distribute property to meet needs and wants

_____ 5. Can be changed if conditions make it necessary

_____ 6. Permits the owner to direct the use of the property for many years after death

OBJECTIVE 7

Evaluated on Assignment Sheet 1.

May be photocopied for student use.

OBJECTIVE 8

Select from a list information needed before writing a will. Write an "X" in the blank before each correct answer.

_____ 1. Dates of birth for all relatives

_____ 2. Complete listing and description of property, cash, and investments owned

_____ 3. Names of all children and their birthdates

_____ 4. Names of people who are not to be included in the will

_____ 5. Names of beneficiaries and what you want them to receive from the estate

_____ 6. Names of songs that are to be included in the funeral service

_____ 7. List of locations of all important documents

_____ 8. Name of an executor to handle the estate

_____ 9. Name of a guardian for minor children

OBJECTIVE 9

Discuss the advantages of a living will. Include four specific advantages in the blanks.

____

____

____

____

____

____

____

____

____

____

May be photocopied for student use.

OBJECTIVE 10

List ways to avoid losing assets after the death of a family member. List two ways in the blanks.

- ____
  ____
- ____
  ____

OBJECTIVE 11

Select from a list facts about prefinanced funerals. Write an "X" in the blank before each correct answer.

____ 1. Funds can be used for another family member's final arrangements if the need arises.

____ 2. Surviving family members will not have to make major decisions.

____ 3. Changes can be made by family members to carry out their wishes.

____ 4. Payment is put into a trust fund account.

____ 5. Individuals can arrange the type of funeral desired.

____ 6. Arrangements must be made at least 90 days before the funeral.

____ 7. Funds may be transferable to another funeral home.

OBJECTIVE 12

List guidelines for selecting a funeral director. List four guidelines in the blanks.

- ____
- ____
- ____
- ____

May be photocopied for student use.

OBJECTIVE 13

Select from a list financial information a funeral director should provide families. Write an "X" before each correct answer.

_____ 1. Price charged for getting the body ready for burial and display

_____ 2. Price charged by the pallbearers

_____ 3. Amount of monies for items the funeral director will advance to accommodate the family

_____ 4. Price of each additional item of service and merchandise requested

_____ 5. Warranty information for the casket

_____ 6. Price of the service that has been selected and what is included

OBJECTIVE 14

Select from a list tasks associated with a funeral or other final service. Write an "X" in the blank before each correct answer.

_____ 1. Select and notify a limousine driver.

_____ 2. Select and notify a funeral director.

_____ 3. Notify the clergy.

_____ 4. Notify friends and relatives.

_____ 5. Notify creditors.

_____ 6. Provide information for the newspaper obituary.

_____ 7. Write thank-you notes and acknowledgements.

_____ 8. Decide who receives the deceased's personal items.

_____ 9. Select a marker, headstone, or monument.

_____ 10. Determine the route to the cemetery for the funeral procession.

_____ 11. Choose a container for the remains of the deceased.

_____ 12. Arrange for payment of the funeral director's expenses and other associated costs.

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____ 13. Select a method of disposing of the body.

____ 14. Remove all personal items from the body.

____ 15. Select the time and place of the service.

OBJECTIVE 15

Discuss ways to put a body to rest. Include three ways in the blanks.

____

____

____

____

____

____

OBJECTIVE 16

List points to consider when selecting a cemetery lot or mausoleum crypt. List three points in the blanks.

- ______________________________________
  ____
- ______________________________________
  ____
- ______________________________________
  ____

OBJECTIVE 17

Select from a list information that should be included in a letter of last instruction. Write an "X" in the blank before each correct answer.

____ 1. Biographical information

____ 2. List of previous sweethearts, friends, and spouses

May be photocopied for student use.

_____ 3. Information about lodge or fraternal membership certificates

_____ 4. Information needed for the death certificate

_____ 5. Exact location of the will

_____ 6. Directions regarding the actions of the beneficiaries of the will

_____ 7. List and location of all checking and savings accounts

_____ 8. Instructions about the disposal of the body

_____ 9. Confession of wrongdoing in lifetime

_____ 10. List and location of insurance policies and their numbers

_____ 11. Information on all outstanding debts

_____ 12. Instructions about the donation of organs

_____ 13. Indication that the letter of last instruction must be followed explicitly

_____ 14. List of names and addresses of various advisors

_____ 15. Date the letter was prepared

OBJECTIVE 18 **Evaluated on Assignment Sheet 2.**

May be photocopied for student use.

ASSIGNMENT SHEETS

OBJECTIVE 7

Assignment Sheet 1

Evaluated to the satisfaction of the instructor

OBJECTIVE 18

Assignment Sheet 2

Evaluated to the satisfaction of the instructor

WRITTEN TEST

OBJECTIVE 1

1. G
2. D
3. M
4. I
5. F
6. A
7. B
8. K
9. H
10. C
11. J
12. E
13. L

OBJECTIVE 2

Answer should include any four of the following:

- Annuities
- Household and property inventories
- Life insurance
- Trusts
- Wills

OBJECTIVE 3

Answer should include all of the following:

- Have no force or effect until the maker dies
- Control only the property individually owned by the maker of the will

- Do not become effective immediately upon the death of the maker

OBJECTIVE 4

Answer should include any four of the following:

- Distributes your assets as you wish
- Reduces the cost and time for settling the estate
- Names an executor of the will
- Names a guardian for minor children
- Establishes trust funds
- Minimizes family quarrels over the deceased's property

OBJECTIVE 5

Discussion should include the following:

- State law determines how your assets will be distributed.
- *Courts* will appoint an executor of your estate.
- *Courts* will appoint a guardian for your minor children.
- It may *cost more* to settle your estate, and your family may *receive less.*

OBJECTIVE 6

1. D
2. A
3. A
4. A
5. A
6. D

OBJECTIVE 7

Evaluated on Assignment Sheet 1.

OBJECTIVE 8

2, 3, 5, 7, 8, 9

OBJECTIVE 9

Answer should include at least four of the following:

- Protects terminally ill or injured persons from suffering through prolonged medical treatments
- Reduces extensive medical costs to the family

- Reduces grieving time of the family members
- Relieves family members from having to make decisions regarding the use or continued use of life-support systems
- Gives the signee control of his or her life

OBJECTIVE 10

Answer should include any two of the following:

- Beware of high-pressure promoters and swindlers.
- Be careful of advice given by personal friends and relatives.
- Do not make an investment of any sort until advice from an independent expert is obtained.

OBJECTIVE 11

1, 2, 4, 5, 7

OBJECTIVE 12

Answer should include any four of the following:

- Seek advice from a minister, priest, or rabbi.
- Obtain information from the Better Business Bureau.
- Check that the director has a good reputation and character.
- Check that the director is a member of professional organizations.
- Check the funeral home facilities and staff to determine if they can give you the services you need.

OBJECTIVE 13

1, 3, 4, 6

OBJECTIVE 14

2, 3, 4, 6, 7, 9, 11, 12, 13, 15

OBJECTIVE 15

Answer should include a discussion of any three of the following:

- Earth burial
- Cremation

- Placement in a mausoleum
- Willing the body to science

OBJECTIVE 16

Answer should include any three of the following:

- Is the cemetery or mausoleum operated by a reputable person or group?
- Is the cemetery lot or mausoleum crypt actually located where drawings or pictures specify?
- Does the cemetery or mausoleum have rules about the type of monument or marker used?
- Are the opening and closing of the grave or crypt included in the price of the lot?

OBJECTIVE 17

1, 3, 4, 5, 7, 8, 10, 11, 12, 14, 15

OBJECTIVE 18

Evaluated on Assignment Sheet 2.